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Supreme Court, U.S.
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No. 95-26

IN THE

Supreme Court of the United States

OCTOBER TERM, 1995

HERBERT MARKMAN AND POSITEK, INC.,

Petitioners,

V.

WESTVIEW INSTRUMENTS, INC. AND ALTHON ENTERPRISES, INC.,

Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

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JOINT APPENDIX - VOLUME I

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PETITION FOR CERTIORARI FILED JULY 3, 1995
CERTIORARI GRANTED SEPTEMBER 27, 1995

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294 pp

TABLE OF CONTENTS

VOLUME II

The following opinions, orders, judgments and memorandum have been omitted in printing this Joint Appendix because they appear on the following pages in the Appendix to the printed Petition for Writ of Certiorari:

CIVIL ACTION DOCKET
CLERK OF COURT

U.S. DISTRICT COURT FOR THE
EASTERN DISTRICT OF PENNSYLVANIA

JUDGE
HON. MARVIN KATZ

FILE DATE	CASE-ID
12/10/91	91-CV-940

PLAINTIFF/ATTORNEY
HERBERT MARKMAN, ET AL
MALLIN, WILLIAM B.

DEFENDANT/ATTORNEY
WESTVIEW INSTRUMENTS, INC., ET AL
GRIFFIN, III, FRANK H.

DATE	*** PROGRESS IN CASE ***
2/12/91	Complaint. filing fee $ 120 receipt #335061 (kv)
3/22/91	Answer to complaint and crossclaim by DEFENDANT ALTHON ENTERPRISES against WESTVIEW INSTRUMENTS (td)

5/1/91 Answer to Complaint and Counterclaim by DEFENDANT WESTVIEW INSTRUMENTS, INC. (jmp) [Entry date 05/02/91]

6/7/91 Answer by HERBERT MARKMAN, POSITEK, INC. to counterclaim of deft Westview Instruments, Inc. (td)

8/29/91 MOTION BY DEFENDANT WESTVIEW INSTRUMENTS, INC. FOR SUMMARY JUDGMENT, MEMORANDUM, CERTIFICATE OF SERVICE. (td) [Entry date 08/30/91]

9/3/91 Amended answer to complaint by DEFENDANT WESTVIEW INSTRUMENTS, INC. with counterclaim against plffs'. (td) [Entry date 09/05/91]

9/18/91 ORDER THAT THE [36-1] MOTION FOR SUMMARY JUDGMENT IS DENIED (SIGNED BY JUDGE MARVIN KATZ) 09/18/91 ENTERED AND COPIES MAILED. (td)

9/20/91 Request for Interrogatories to jury by PLAINTIFF HERBERT MARKMAN, PLAINTIFF POSITEK, INC. (td)

9/20/91 Requested Jury instructions by PLAINTIFF HERBERT MARKMAN, PLAINTIFF POSITEK, INC. (td)

9/20/91 ORDER THAT THIS COURT'S ORDER DATED 9/17/91 DENYING WESTVIEW'S MOTION FOR SUMMARY JUDGMENT BE AND HEREBY IS NOT VACATED. THERE IS A GENUINE ISSUE OF MATERIAL FACT AS TO WHETHER DEFT'S PRODUCT STORES IN MEMORY INDIVIDUAL ARTICLES, ETC. (SIGNED BY JUDGE MARVIN KATZ) 09/23/91 ENTERED AND COPIES MAILED. (td) [Entry date 09/23/91]

9/23/91 Supplemental Pretrial Memorandum of deft Westview Intruments, Inc. (td) [Entry date 09/24/91]

9/27/91 Minute entry: Trial resumes 9/26/91. Ruling: Infringement issue to be given to the jury first. Deft's motion for directed verdict - DEFERRED. (td) [Entry date 09/30/91]

9/30/91 MOTION BY DEFENDANT WESTVIEW INSTRUMENTS, INC. FOR DIRECTED VERDICT PURSUANT TO RULE 50 OF THE F.R.C.P., MEMORANDUM. (td)

9/30/91 Memorandum of law by DEFENDANT WESTVIEW INSTRUMENTS, INC.

concerning construction of claim language. (td)

9/30/91 Questions to jurors and answers thereof. (td) [Entry date 10/01/91]

9/30/91 MEMORANDUM AND ORDER THAT THE MOTION FOR A DIRECTED VERDICT IS GRANTED (SIGNED BY JUDGE MARVIN KATZ) 10/01/91 ENTERED AND COPIES MAILED. (td) [Entry date 10/01/91]

10/1/91 ORDER THAT JUDGMENT IS ENTERED IN FAVOR OF DEFTS AND AGAINST PLFFS (SIGNED BY JUDGE MARVIN KATZ) 10/02/91 ENTERED AND COPIES MAILED. (td) [Entry date 10/02/91]

10/25/91 Notice of appeal to the USCA FOR THE FEDERAL CIRCUIT by PLAINTIFF HERBERT MARKMAN, PLAINTIFF POSITEK, INC., Fee Status: $105.00, Copies to JUDGE MARVIN KATZ , Clerk USCA, Appeals Clerk, and PETER A. DUNN, PETER A. VOGT, FRANK H. GRIFFIN, JOHN C. DORFMAN, TERRY D. JACK C. GOLDSTEIN, PATRICK J. HAGAN, TIMOTHY P. RYAN, WILLIAM B. MALLIN, LEWIS F. GOULD JR. (dt) [Entry date 10/29/91]
[Edit date 10/29/91]

10/25/91 Copy of Clerk's notice to USCA For the FEDERAL CIRCUIT re: [100-1] appeal (dt) [Entry date 10/29/91]
[Edit date 10/29/91]

11/6/91 Notice of Docketing ROA from the USCA for the Federal Circuit Re: [100-1] appeal. USCA FEDERAL CIRCUIT NUMBER: 92-1049. 11/04/91 (td) [Entry date 11/07/91]
[Edit date 11/07/91]

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT
DOCKET FOR APPEAL 92-1049
AS OF 10/04/95

October 25, 1991	Notice of appeal filed by plaintiffs in the district court. (lp)
Jan. 3, 1992	BRIEF FOR THE APPELLANT, filed. (MS-1/3/92) (cr)
Feb. 18, 1992	BREIF [sic] FOR THE APPELLEE, filed. (MS-2/18/92) (cr)
Mar. 9, 1992	REPLY BRIEF FOR THE APPELLANT, filed. (MS-3/9/92) (cr)
Mar. 16, 1992	JOINT APPENDIX (Vols-I-II 12 copies each filed. (MS-3/16/92) (cr)
May 7, 1992	ARGUED. (Nies, CJ, Rich and Archer, JJ). (tth)
January 7, 1994	ORDER: Additional briefing by parties & amici may be filed as follows: Briefs for appellants on rehearing in banc due February 1, 1994; briefs for appellees due March 14, 1994. Court is particularly interested in briefing on ... see order for language... Amicus briefs on rehearing in banc may be filed in

	accordance with Rule 29. Oral argument will be scheduled after briefs have been filed. Briefs shall be filed in 30 copies. [by Clerk] (df)
Feb. 14, 1994	BRIEF FOR APPELLANTS, (Harbert Markin [sic] and Positek, Inc.) filed. (MS-2/14/94) (cr)
Mar. 14, 1994	SUPPLEMENTAL BRIEF FOR APPELLEES, (Westview Instruments Inc.) filed. (MS-3/14/94) (cr)
May 4, 1994 92-1049 (df)	Submitted after ORAL ARGUMENT by William B. Mallin and Frank H. Griffin, III [IN BANC] (ARCHER, RICH, NIES, NEWMAN, MAYER, MICHEL, PLAGER, LOURIE, CLEVENGER, RADER & SCHALL)
April 5, 1995	AFFIRMED. (ARCHER, CHIEF JUDGE) "JUDGMENT ENTERED" (pjt) OPINION FOR THE COURT FILED BY CHIEF JUDGE ARCHER, IN WHICH CIRCUIT JUDGES RICH, NIES, MICHEL, PLAGER, LOURIE, CLEVENGER and SCHALL JOIN. CONCURRING OPINIONS FILED BY CIRCUIT JUDGES MAYER and RADER

DISSENTING OPINION FILED BY CIRCUIT JUDGE NEWMAN. (pjt) 52 F3d 967

April 26, 1995 — ISSUED AS A MANDATE TO THE US DCT ED/PA. (1p)

PETITION FOR WRIT OF CERTIORARI FILED 07/03/95. SUPREME COURT No. 95-0026. U.S.L.W.: 94-3068 (EOD 08/18/95 BY JA) 92-1049

* * *

Trial Testimony of September 25, 1991 -- Volume I

* * *

[40]JOHN MIKULA, PLAINTIFF'S WITNESS, SWORN
DIRECT EXAMINATION

BY MR. MALLIN:

Q Would you state your name, please?

A My name is John Mikula.

Q Where do you live?

A I live at 1520 Lexington krive [sic] in Dresher, Pennsylvania.

Q What is your profession?

A I'm a computer consultant.

Q What is your educational background?

[41] A I received a Bachelor's degree in electrical engineering from the University of Pennsylvania in 1965. I graduated with honors, belonged to civil engineer honor societies. I received a Master's degree in electrical engineering from the University of Pennsylvania in 1967 and

a Master's degree from Penn State University in engineering science.

Q For the record, what is electrical engineering? What is the study of electrical engineering?

A Electrical engineering has evolved over time and whereas when I was in school it was the study of vacuum tubes and electronics using transistors, today it's more a study of computer architecture.

Q Would you tell the jury a brief resume of your work experience after you graduated?

A After I graduated, I first worked for Eastman Kodak in Rochester, New York on classified Government projects but having to do with data reduction, mathematical analyses and general data processing type areas. After that I worked for a company called Kentron Hawaii, Limited in Honolulu and we tracked missile test flights in the middle of the Pacific. My job was data reduction, doing mathematical analyses and defining performance of computer programs, working with programmers to define data processing systems. After that I worked with American Electronics Laboratories in Colmer(ph), Pennsylvania doing defense related work and having to do with computer pro[42]gramming, things like tracking aircraft for the American Military, direction finding systems based on airplanes looking for enemy receivers and thing [sic] like that.

During that time while I was with American Electronic Laboratories, microprocessors were just coming into

existence and at that time as a young engineer, I was very excited about microprocessors were a way of shrinking down big, expensive computer systems into a tiny chip. It was a brand new field. The expansiveness of the field was apparent and I wanted very much to get into that. Working as I was on defense contracts which tend to trail the state of the art in developments of new computers, new hardware, I went with a small company and the sole goal of that company was to develop systems based on microprocessors. They were system developers. Developers were people who had products they needed and wanted to sell so we were a general system developer. We did the electronics. I personally did the programming of the microprocessors to make it meet with whatever system needs a customer had.

After that in approximately 1981, I joined the company I'm with now which is called Matrix Graphics and the purpose of that company had to do with using bar codes another new technology just coming into popularity at that time and we were involved for the entire duration in the printing of bar codes using different kinds of printers and [43] for the last several years in projects using the scanning of bar codes to make bar codes do useful work for people.

Q I think by now people know what a bar code is or bar codes are but I think you ought to explain it.

A The simplest explanation is the thing you see in a grocery store on every package of Wheaties is a band of black and white lines and this is a way of encoding information that can easily be entered into a computer. The whole purpose of a bar code is to encode information so it can be entered

into a computer without the need for key strokes by a person which tends to be slow and erroneous.

Q During your work over these recent years, have you been on the cutting edge of technology, computer technology and bar code technology?

A Yes, we have.

Q Do you keep track of trade and technical literature in the computer area of technology and bar code area of technology?

A Yes.

MR. MALLIN: May it please the Court, I offer this witness as an expert on computer equipment, computer matters and bar code technology.

THE COURT: My practice is that the other side may if it wishes examine on qualifications now or reserve until cross whichever you prefer.

[44] MR. GRIFFIN: I'll examine him on qualifications now if I may, Your Honor.

THE COURT: Sure.

VOIR DIRE EXAMINATION

BY MR. GRIFFIN:

Q Mr. Mikula, what trade literature do you keep track of in your business?

A There are two primary bar code magazines that are published. I read those faithfully and a number of computer related magazines, some familiar ones like Byte and PC World and some more specialized ones.

Q You've been involved with Matrix Graphics since 1981?

A Yes.

Q What education have you had since 1981, formal education?

A I have not had formal education since 1981.

Q When was your last formal education?

A That would have been -- I have to think back. I received the second Master's degree from Penn State University back in approximately 1975. After that I did attend classes at Temple in Ambler which were business-related classes.

Q Your MBA from Temple was with an emphasis on finance and accounting, is that corret [sic]?

A I didn't receive an MBA from Temple. I was in the MBA program but did not --

Q Your Masters from Penn State in engineering science, when [45] was that, sir?

A That was in 1974.

Q And your courses there dealt primarily with statistics and what else?

A The statistics and analysis. The statistics courses involved the application of computer programs to statistics. There were some specialized computer programs at the time having to do with dedicated kinds of statistical analysis.

Q That was basically computers which we now look at as minis and mainframes?

A Minis.

Q It was not personal computers?

A That's correct.

Q Sir, you were involved, were you not, at least your company was, in providing firm wearboard to Mr. Markman so that he could try to create his initial or I think it's his second working model of his claimed invention?

MR. MALLIN: Your Honor, I think this goes beyond voir dire on qualifications.

THE COURT: I'll allow it as a matter of the order of proof.

A I don't know where it fit into his development cycle but, yes, we did provide a board to Mr. Markman.

Q What specific training have you had in, and I mean formal education, in the area of bar codes?

A I've had no formal education in bar codes, formal being [46] attending a university.

Q What formal education have you had in dealing with personal computers and the programming of them?

A I've had no formal university training.

MR. GRIFFIN: Your Honor, I would object on the grounds that the proffer as an expert has been too broad and that his area of expertise is substantially limited by his training and if it is to be offered as an expert in computer science, he hasn't been qualified.

THE COURT: I'll allow the witness to testify. Of course, the weight of his testimony is a matter exclusively for the jury to determine.

DIRECT EXAMINATION (Cont'd.)

BY MR. MALLIN:

Q Mr. Mikula, were you retained to make a study in connection with this litigation of Westview's inventory control system, the "Datamark" and "Datascan" and how they work together?

A Yes, I was.

Q Looking at Plaintiff's Exhibit 2, the number is "2-0", what is that?

A That is a "Datamark" inventory control system.

Q Looking at Plaintiff's Exhibit 3, which is intended to cover these two items, what is Plaintiff's Exhibit 3?

A That is a "Datascan" together with a "Datamark" and a [47] "Datamark" and a "Datascan" comprise an inventory control system.

Q Did you study Plaintiff's Exhibit 2 and Plaintiff's Exhibit 3?

A Yes, I did.

Q What other material did you look at and review in connection with your study of the way Westview's inventory control system works and what it's comprised of?

A In addition to actually working with the hardware, I had an operator's manual for the "Datamark" unit. I had program listings for both units, the "Datamark" and the "Datascan" and these program listings were dated 1985 and 1987.

In addition, I had various pieces of sales and promotional literature from Westview of which this is one example but there are also quite a few other pieces including price lists that listed the current array of systems and the capabilities thereof and I also examined the deposition of Mr. Jenkins,

who's the president of Westview, and some invoices printed by Westview for the sale of "Datamark" units.

Q I show you Plaintiff's Exhibit 4 and ask you what that is.

A This is an operator's manual for the "Datamark" dated October 1, 1985.

Q Did you use that in your study?

A Yes, I did.

[48]Q I show you Plaintiff's Exhibit 5 and ask you what that is.

A This is an operator's manual for the "Datamark" dated February 28, 1988.

Q Did you use Plaintiff's Exhibit 5 in your study?

A Yes, I did.

Q I show you Plaintiff's Exhibit 6 and ask you what that is.

A This is a price list for "Datamark" and "Datascan" equipment dated July 1st, 1985.

Q Did you use that in your study?

A Yes, I did.

Q I'll show you Plaintiff's Exhibit 7 and ask you what that is.

A This is an equipment price list for the "Datamark" and the Datascan" and the date is December '89.

Q Did you use that in your study?

A Yes, I did.

Q I show you Plaintiff's Exhibit 8 of which there's a blow-up on the easel. What is that?

A This is a sales or promotional brochure produced by Westview Instuments [sic] for the "Datascan".

Q I'll show you Plaintiff's Exhibit 9 and ask you what that is.

Q[sic] This is also a promotional brochure produced by Westview Instruments for the "Datamark" with references to the "Datascan"[sic]

Q Did you use that in connection with your study?

[49]A Yes, I did.

Q I show you Plaintiff's Exhibit 10 and ask you what that is.

A This is a program listing dated 1985 produced by Westview Instruments.

Q Did you use that in your study?

A Yes, I did.

Q I show you Plaintiff's Exhibit 11 and ask you what that is.

A This is a set of program listings dated 1987 produced by Westview Instruments.

MR. MALLIN: May it please the Court, I offer in evidence Plaintiff's Exhibits 1 through 11 inclusive.

THE COURT: My practice is if there's no audible objection, they're automatically admitted.

MR. MALLIN: Thank you.

BY MR. MALLIN:

Q After October 29th, 1985, which is the date the original patent was issued, was there one or more than one model of "Datamark"?

A More than one model.

Q What models were there?

A Referring to the two price lists in 1985, the models were identified as System I, System II and System III. In the later price list, they were identified as the "Datamark" [50] System III, the "Datamark" Plus and the "Datamark" XI.

Q Would you show me which price list covers the XI and the Plus?

A The 1989 price list.

Q Plaintiff's Exhibit 9. Do "Datamark" XI and the "Datamark" Plus involve the printing of bar code coincidental with the transaction?

A Yes, they do.

Q Does that show on the price list of this Plaintiff's Exhibit --

A There is an allusion on here to the printing of bar codes. It does say, "automatically prints and ticket message and bar code".

Q Which model is Plaintiff's Exhibit 2 here in court?

A That is the "Datamark" System III.

Q Does the "Datamark" System III print bar code coincidental with the transaction?

A Yes, it does.

Q Before we go on and look at some of the equipment in detail, would you tell the jury just in a general way how Westview's Inventory control system comprised of the "Datamark" and the "Datascan" working together whichever

model without the details of any little differences between models, tell us how it works?

A We can talk on the System III because it's in front of us [51] and I can point to it. (Indicating)

The "Datamark" unit, the bigger one, consists of a keypad, a display and a printer that's on the left side of a unit. When a customer brings a transaction, a group of clothing in to a drycleaning store, a ticket is inserted into the printer and the keypad is used to print the ticket and an example of a ticket can be seen on here. Essentially what the ticket includes is the sequential invoice number. Invoice is the terminology for the ticket number used by ours and Westview. The ticket also contains a listing of the individual articles of clothing that were brought in as part of that bundle and description includes the type of clothing, pattern and the price charged for cleaning that item. It also includes a total for that ticket. At the bottom of the ticket is a bar code. The bar code contains the same number that's at the top of the ticket.

The invoice number is unique. It's automatically assigned by the "Datamark" when the transaction starts.

The other piece of equipment, the "Datascan", actually consists of two pieces. The smaller unit is a data processor connected to a bar code one or scanner and this is used primarily for taking inventory in the drycleaning store. The scanner is run over the individual ticket and a list is put together inside the "Datascan" of what invoices are found.

The printer that's behind the "Datascan" is used to produce [52] reports generated by the "Datascan".

MR. MALLIN: Your Honor, may I have the witness step down to the "Datamark"?

THE COURT: You don't need my permission, Counsel. Just make yourself comfortable in the courtroom.

(Witness stepped down to the exhibit.)

BY MR. MALLIN:

Q Now, would you first for the jury without getting into every detail print a ticket out as though a customer came in with drycleaning? Show the jury that.

A The procedure is really very simple. You start a transaction by inserting a ticket into the printer mechanism which is in here. It first asks you for a strip tag number. That can either be the number on the strip tag that was mentioned that's attached to clothing or it can be a customer Number. There's various ways to use that. I'll just use the number 1234. I press "Enter" that the number is correct and you've heard printing occur and we'll go into exactly what's printed when.

The display says "Begin mark" and that means start accepting various articles of clothing for the transaction. The keypad consists of a set of keys that are labeled "pants", "sweater", "dress" so these are prelabeled item keys. You can see they're color coded keys to identify the color of the

garment. There are a set of keys that are the pattern of the [53] garment, numeric keys and some special keys.

To begin marking, I press the key labeled "Dress" and the display shows the word "Dress" and the pre-set price in this system. If I want to indicate a color for the dress, "green", I press "green" and the word appears and if it's "plaid", I press "plaid" and "PL" appears here indicating "plaid". If that's correct, I press the "Enter" key and two things will happen. Asterisks will appear on here which is a signal to the operator that the "Enter" key has been pressed and it's been accepted as part of the ticket and printing will occur (demonstrating) so at that point on the ticket it has been printed on the lines that you can see on there which would say "Dress green plaid" and that price.

If I enter a second item, let's say it's a sweater, orange, check, again I see all those details plus a pre-set price for cleaning a sweater. I press "Enter" and a second item has been printed on the ticket. If I've completed all the items that have come in, I press the total listing key labeled "Dryclean" (demonstrating) and the printing that's occurred applies the sales tax giving me the total of that transaction which also appears on the screen $10.02, a friendly message and a bar code. The bar code, as I mentioned, is the same contents as the ticket number or the invoice number. These are the unique numbers used to identify these tickets.

Q I'd like to put an exhibit sticker on that ticket which [54] you've printed Plaintiff's Exhibit 25.

Looking at Plaintiff's Exhibit 25 we see lines down at the bottom. What is that?

A Those lines are bar codes. It's a series of wide and narrow bars which a scanner with its associated reader and code implement can translate into a set of numbers for a computer.

Q The ticket that you put in there, Plaintiff's Exhibit 5, before you put it in the printer here, did it have any bar codes on it?

A No, it did not.

MR. MALLIN: I'm not sure whether you can see it but this is the exhibit.

(Exhibit was shown to the jury by Mr. Mallin.)

MR. MALLIN: May it please the Court, I offer Plaintiff's Exhibit 25.

BY MR. MALLIN:

Q Look at the "Datamark" and will you tell the jury what its basic components are?

A The basic components are the visible components. First, the keypad which as you've seen are dedicated to the function of drycleaning, the items key, color keys, numeric keys and the totalizing key.

The second component is the display to prompt the operator to show certain information, etc.

[55] A third component is the printer which is in this part of the "Datamark" and this is what we call a dot matrix printer which pertains to the way characters or bars or anything is formed with this printer.

Inside the "Datamark" is a printed circuit board and that printed circuit board contains a microprocessor which I mentioned before is really a shrunk down computer. It's the basic unit inside that contains the intelligence of the printed circuit board. It also contains a chip that has a program memory and this is a set of sequence of instructions that the microprocessor follows to carry out all the functions.

Q Approximately -- Is a chip large or small?

A Roughly it depends which chip, an inch by two inches for the big ones.

Q By looking at the outside of Plaintiff's Exhibit 2, the "Datamark", can you tell what it would print without knowing what chip is in it?

A No, I can't.

Q Now the first time I asked you just briefly print out a ticket so we can see what a printed out ticket was, now I'd like you to go into the process and explain in more detail what the mechanism is going on in this computer "Datamark".

A I'd like to print two tickets since we're presenting a number of different things that are technically important.

[56] The first thing was the functional striking of the keys and the ticket. The second thing is the relationship of the printing with relation to how certain things are performed at the keypad. If you can see that one better, we can reference the ticket on the first chart. Again I place the ticket and no printing has occurred. You heard a sound which is the ticket being clamped into the printer. I get the message again to enter the strip tag number. I'll just enter some different number. Press "Enter" and at this point the first line of the ticket has been printed. The first line of the ticket includes the date, the last date set into the machine, the unique sequential invoice or ticket number and the tag number that I enter. You heard the printing occur. That occurred just after the tag number is entered and "Enter" is pressed.

As I do an individual item, I'll do the green plaid dress again, again, [sic] now at this time it's in working memory. I can change the color of that to a blue dress.

Going back to the green one, at the time I pressed "Enter" again, again you'll hear the printer go and it will print the one item of the item. (Demonstrated)

When I get -- I'll put the second item in, sweater, orange, check, press "Enter" there's a second line printed. When I'm satisfied that the transaction is fully entered and I press the total key, all the printing on the [57] bottom of the ticket will occur. In other words, the tax will be calculated and printed, the total will be printed on the ticket. These are

indicators that this can be used to localize things by store and by operator number and there's a long process which is the printing of the bar code so at this point all the individual items have been entered. It totally listed -- It knows everything it's ever going to know.

Q What knows everything?

A I speak in terms of the processor, it being the data processor inside along with its associated memory. The memory is where details are stored and used later.

Q Those transcriptions are in the memory of the data processor at this point?

A Yes, they are and I can demonstrate that. At this point -- I'll make this clear by making one more entry. Let's add a sweater that's blue and mixed to our ticket. There is a working area of memory if you will that is the entry that I'm currently making and trying as an operator to get right. Once I press "Enter", this becomes part of the ticket memory. The memory of the system at this point has all the detail that is on the ticket and I can demonstrate that because one of the things that I can do is to review what's in memory but I'm at the point where I'm about to print out the total. As an operator, I want to review everything that was in that ticket so I press "Clear" key a number of times. It first [58] tells me the first item was dress, green plaid. Second item was the orange sweater and the third item was the blue sweater. Since those are in memory, I can go back and I can delete one of those items so at this point right before I'm about to print out the totals, all the details of the ticket are in

memory. When I press the total key (demonstrating), the information at the bottom including the bar code, which was the long repetitive motion you heard, is printed. Once the ticket is ejected, the thing that is maintained in memory are the unique invoice number, the date of the transaction and the total.

Q On the second ticket you've printed out, I've attached Plaintiff's Exhibit 26.

MR. MALLIN: May it please the Court, I offer Plaintiff's Exhibit 26 in evidence.

THE WITNESS: There is one other feature I'd like to mention of the "Datamark" itself before we get into how the whole system works together and I showed you, for example, how when you strike a key, I strike the pants key, the word "pants" comes up here. Also on the bottom there's a message of "Have a nice day" or whatever is chosen.

One of the functions of this keypad is to be able to go through when a person initially purchases a "Datamark" put into that system the meaning of those keys. This is called an alpha/numeric keypad. Alpha/numeric are individual keys that are alphabet and other keys that are numeric. The [59] numeric ones are always numeric. There's a chart in the operator's manual that gives you the corresponding keys to the alphabetical keys.

Q Are these steps and occurrences that you've just described for the "Datamark", are they reflected in the Westview "Datamark" operating manual?

A Yes, they are.

Q Now I would like to direct your attention to the "Datascan" and would you explain to the jury how the "Datascan" works?

A The "Datascan" is actually comprised of the portable unit as well as the general purpose printer. The "Datascan" itself includes another microprocessor with its own program stored in an ecom. It includes a display and a scanner for reading bar notes and on the front of the scan are a number of other bar codes. They have labels on them: Enter, Yes, No and individual numbers so these bar codes are really for the purpose of -- They are functionally identical to keypads to individual keys so scanning this "Enter" key, "Enter" bar is the same on here as if I had the "Enter" key.

The "Datascan" also as I mentioned, has its own display just like you can see but it's the way of guiding an operator through operating a "Datamark"ing system.

THE COURT: Excuse me, sir. You're going to have to keep your voice up because it's becoming increasingly difficult for me to hear you, perhaps for the stenographer so I'd apprec[60]iate it if both you and the attorney would just speak up a little bit particularly when your backs are turned toward her, it's difficult.

THE WITNESS: Certainly.

The "Datascan" is used in conjunction with the "Datamark". Its method of operation is that it's tied to the

"Datamark" with the cable and the list of invoices is transferred from here to here. Now let me --

BY MR. MALLIN:

Q From here to here. For the record, you'd better say --

A From the "Datamark" to the "Datascan" and to make that a little more clear, in the "Datamark" when we have printed the ticket at the beginning of a transaction, I mentioned that the memory of the "Datamark" retains a list of the date, the invoice number, the unique invoice number and the amount of that invoice. Those are retained in the memory of the "Datamark". Those are taken out of the "Datamark" memory when a person comes to pick up their order and there are different ways of getting it out. For example, in the "Datamark" the invoice number is entered from the keypad. In any event, those are taken out as they're picked up so the "Datamark" at any time includes a list of the invoices that should be in -- still be in the drycleaning establishment and we can do a number of reports from the "Datamark". One report is an invoice listing and that would give us a list of the current invoices. We can see an example of that invoice listing here [61] where it's labeled "Invoice Listing" and again ticket number. It includes the date, the invoice numbers and the amounts of the invoices along with the total for all of the invoices.

So the important point is in memory is a list of the invoices that should still be in the store.

By attaching the "Datamark" to the "Datascan" by the cable as I've shown, we transfer that list of invoices, the invoice numbers, dates and totals are transferred to the memory of the "Datascan" so again at this point the "Datascan" has its list of what should be in the store.

Now at this point the "Datascan" can be used in two ways. It can be used if you will to take invoices or tickets back out of inventory if additional things are picked up by the customer to keep this memory updated with what's in the store but its more important use is to take inventory.

The way that's used is an operator will attach it or hold it as this operator has, go through the store and scan the bar codes that are on all the tickets attached to all the transactions, the orders from people. So what we're doing is the "Datascan" has its knowledge of what should be there, we're going there and scanning everything we actually find in the store and from that the "Datascan" would produce a report. It can produce a report of all the invoices that it is expected to find and did find. It can produce a report of extra invoices and a list of missing invoices and this same [62] exhibit shows what the report looks like from a "Datascan". It's called inventory, the date of which the report was generated, a list of the listed invoices. These are the correct invoices the "Datascan" expected to find and we did, extra invoices, spurious additions, tickets that should not be there. It also gives the dollar list for those invoices. It gives a total of all the invoices that were actually found both the good ones and the extra ones, the dollar total, then there's a list of the missing invoices. It gives the invoice numbers and the amounts of those invoices as well as the

total of the missing invoices so this is the way in which the "Datascan" is used to reconcile inventory. It should -- It does know what should be there and by comparing what should be there to what's actually found to be there, it can tell you the extras and the missings.

MR. MALLIN: The record should show he was referring to the reverse side of the blow-up of Plaintiff's Exhibit 8.

BY MR. MALLIN:

Q In the two you've looked at from Westview, did it indicate that the Westview system had the ability to detect extra, missing transactions?

A Yes, it did.

Q In the industry, what does a preprinted bar code mean?

A Preprinted bar code means that -- In the system like this, for example, you would buy your invoice ticket from some[63]one who has the ability to print the bar codes for you. You would not have the ability to print them yourself. The bar codes would have sequentially numbered bar codes on each invoice or each ticket to identify them one from another.

Q Does "Datamark" and "Datascan" inventory control system use preprinted bar code tickets?

A No, it does not.

Q Is there any advantage to printing the ticket coincidental to the transaction as opposed to using preprinted bar codes?

A Well, there are two real advantages. One, the process of buying preprinted tickets is expensive. For the demonstration here where we're not using preprinted tickets, we can go to a stationery store and buy very inexpensive multipart tickets. To buy them from a printer preprinted is many times more expensive than the nonpreprinted.

The second item is the security aspects of preprinted versus printed on-the-spot tickets. If you buy your preprinted ticket, you're storing them somewhere hoping you won't lose them or having them disappear in different ways. You don't have the control that you have here. Here the important -- That bar code does not exist anywhere until clothing is really received into inventory.

Q Can a "Datamark" unit work with more than one "Datamark" unit?

A "Datascan" unit.

[64]Q Can a "Datascan" unit work with more than one "Datamark" unit?

A Yes, it can.

Q And how many?

A In the sales literature, it states that a single "Datascan" unit can handle up to 10 "Datamark" units.

Q Can you conveniently point out any place where that's stated by Westview?

A It's on the equipment price list dated 1985 and the description of the "Datascan" bar code reader it says it tracks 8,000 invoices from up to 10 "Datamark" systems.

THE COURT: Again, sir, it's -- For me at least I wasn't able to hear so you really have to keep your voice up. She can't take it down. It's not important whether I hear. It's important whether she does.

MR. MALLIN: I very much want the Judge to hear so keep your voice up.

THE WITNESS: On the 1985 price list the statement is that the "Datascan" bar code reader tracks 8,000 invoices from up to 10 "Datamark" system three listers.

BY MR. MALLIN:

Q Now I would like to direct your attention to the two Westview computer printouts that you referred to earlier, Plaintiff's Exhibit 10 and Plaintiff's Exhibit 11. Would you explain what those are?

[65]A I'll use as Exhibit 10 as an example and this is a listing produced in the course of development work on the program that controls the "Datamark".

In this particular instance, this one has a printed copyright statement 1985 by Westview Instruments. Without going into

all the details of just how microprocessor programs are developed, the programmer produces what's called source code. This is a code that's made by a programmer and it includes individual statements of what the unit is supposed to do. On this listing the source code would be roughly from here to here and it appears to be English and it's readable by a programmer. This source code is routinely development system through a set of programs and the output of that process is what's called machine code. Machine code is the information that's on the left side of the listing and that's the actual coding that goes into the ecom, the chip associated with the microprocessor that actually contains the programmer. The microprocessor can decode this information and do its individual steps.

Q Is it fair to call that a computer printout?

A Yes.

Q Does the computer printout that you have in your hand, Plaintiff's Exhibit 10, does it show the printing bar code coincidental with the transaction?

A Yes, it does.

[66]Q Let's go to Plaintiff's Exhibit 11. This is also a Westview printout and so we don't have to repeat, I take it what you said about the other would apply to here except for the date.

A That's correct. It says copyright 1987. Format is identical. Some of the information is different.

Q Does Plaintiff's Exhibit 11 -- Is that the right one you have in your hand?

A Yes.

Q -- show the printing the bar code and the tickets coincidental with the transaction?

A Yes, it does.

MR. MALLIN: You may take your seat again. That's all I have, Your Honor.

CROSS EXAMINATION

BY MR. GRIFFIN:

Q Mr. Mikula, you've told us how the "Datamark" system works. I want to direct your attention to back to after you had gone ahead and run up the total and your Plaintiff's Exhibit 25 had been printed out. If you didn't have this piece of paper, is there any way that this "Datamark" can tell you what comprises -- what actual articles of clothing comprised this order?

A No, you cannot tell from the "Datamark".

Q The "Datamark" doesn't have enough memory to take care [67] of that, is that correct?

A I can't answer the question on whether it has enough memory. I do know it does not retain the individual items.

Q That's right. As soon as you print it out, that's lost from its memory.

A It's no longer accessible by the "Datamark". Certain pointers are destroyed when the ticket is ejected and you can no longer get that information. It's eventually totally lost from memory.

Q So what this system tracks and --

Let me back up one for you, sir. You said that the "Datascan" can be used in conjunction with the "Datamark", correct?

A That's correct.

Q The "Datascan" gets its information from the "Datamark".

A That's correct.

Q And the "Datascan" can't have any more information than it gets from the "Datamark".

A That is true from one or more "Datamarks".

Q That's right and if the "Datamark" can't tell what individual items of clothing are associated with the invoice number, the "Datascan" can't know that either, is that correct?

A That's correct.

Q Once this ticket is created, this "Datamark"/"Datascan" unit loses all ability to in any automated fashion tell us [68] what articles of clothing are associated with this ticket?

A Yes, with the term "any automated fashion".

Q That's right. I could sit there and read the ticket but let's say the ticket was lost and someone came in and said: I had invoice No. 1234, is there any way this system could tell the drycleaner that that happened to be a green dress and an orange sweater?

A No, there is not.

Q So this system cannot track individual items of clothing through the drycleaning process.

A The tracking occurs on an invoice basis not individual items of clothing.

Q And the reports are on an invoice basis?

A That's correct.

Q It totals up the dollars but it doesn't total up the items of clothing associated with the invoice?

A Associated with a specific invoice, that's correct.

Q Now, sir, when you were asked to take a look at the "Datamark" unit, were you asked to take a look at any other units that list a laundry listing like "Datamark"?

A Not real equipment, no.

Q Are you familiar, sir, with the "Liberty Lister"?

A Yes, I am.

Q Does the "Liberty Lister" generate any reports that are different than the reports that you can get from the "Datascan"/[69]"Datamark" system?

A You have to understand that I did not work with the "Liberty Lister". I'm going from memory from some sales brochures. I do not believe so.

Q So the same reports you can get from the "Liberty Lister" system you can get from the "Datamark" system?

A I would like to examine the "Liberty Lister" system before I say that.

Q That's your recollection?

A There's no --

Q The "Liberty Lister" had a preprinted bar code and the "Datamark" unit has a bar code which is printed out by the system, is that correct? That's the only difference.

MR. MALLIN: Your Honor, I object. We're not only beyond the scope, we're also into the defense. The law is quite clear during the case in chief on infringement, we

shouldn't get into the defenses. We get the defenses first and then the rebuttal.

THE COURT: Overruled. As a matter of the order of proof, it's more efficient to do it this way.

BY MR. GRIFFIN:

Q Sir, are you familiar with a company named Intermek(ph)?

A Yes, I am.

Q What is Intermek?

A Intermek is a manufacturer of bar code printer and [70] scanning equipment.

Q Does Intermek also provide consulting services to companies?

A Yes, they do.

Q And does Intermek design systems for companies?

A Yes, they do.

Q Are you familiar with any of the systems designed by Intermek?

A I have read some brochures on Intermek systems.

Q Do you know when Intermek first started designing systems with bar codes?

A No, I don't know that date.

Q It was before 1980, wasn't it?

A Yes, it was.

* * *

[71] BY MR. GRIFFIN:

Q Mr. Mikula, you told us before lunch actually when I was questioning you on your qualifications that your company had done some work with Mr. Markman in conjunction with the second working model of this invention, is that correct?

A I said we had done some work. I didn't know which model.

Q When did you do that work, sir?

A That work was done in late 1983.

Q When did your business relationship with Mr. Markman start?

A It was really October 1983.

Q Does it continue to today?

A It does continue to today. The nature of it is that we provided a board for him that was part of his system up to a certain time frame with the understanding that eventually our board would be replaced by programs running in his own computer and that has happened. We're no [72] longer an active part of his system. The only ongoing relationship is occasional repair work to some old boards.

Q Sir, you testified I believe that one of the publications that you receive and monitor is Byte magazine?

A That's correct. I do read Byte magazine.

Q Would you characterize Byte as a popular magazine or a trade publication?

A A popular magazine.

Q Are you familiar, sir, with the article in the May 1981 Byte magazine entitled, "Print your own bar codes"?

A I have read that article, yes.

Q I'll hand you an [sic] copy of what has been previously marked as Defendant's Exhibit No. 19 and ask you, sir, is that the article --

* * *

[73] THE COURT: I'm just trying to get a sense of the case and if we just tried the issue of infringement initially, how much time would it take for you to present your case

assuming he did not inquire into the areas of defense? You have this witness.

MR. MALLIN: Yes and I have Mr. Markman. Some of this bears on infringement.

THE COURT: Roughly we would finish up when? I'm just asking for both your informed judgments.

MR. MALLIN: And the very next witness would be the patent expert and then I'm assuming you're asking beyond that. The patent expert is, of course, infringement and then Mr. Markman's testimony some of it would bear perhaps -- Damage witness, of course, doesn't go to infringement.

THE COURT: Understood.

MR. GRIFFIN: Your Honor, we could finish very quickly. I intend to call only one witness if --

THE COURT: How long would you guesstimate -- [74] I'm not going to hold you you [sic] to it -- for completing the plaintiffs' case on that issue?

MR. RYAN: Probably one more day, Your Honor.

THE COURT: You'd be finished sometime tomorrow your guesstimate is and you you'd --

MR. GRIFFIN: I'd finish very promptly within an hour and a half.

THE COURT: You people are the pros. Give me your judgment whether we should do it that way. That does seem to be the crux of the case. I know you filed a motion on the subject.

MR. MALLIN: I think it's better to do all the liability issues.

THE COURT: How long would that take if we got all the liability out of the way?

MR. MALLIN: If he puts evidence in on prior art and so on, we would rebut it.

MR. GRIFFIN: That would add several days at a minimum .

THE COURT: Do you agree with the time estimate on all liability?

MR. MALLIN: I could be longer.

THE COURT: Okay. I'm not sure what's the best way and I'd sort of like to leave my options open so why don't we do this at this point? Let's limit the [75] examinations just to the issue of infringement as a matter of proof. I ruled otherwise before lunch. I had an opportunity to read counsel's memorandum which was submitted to me after I ruled and let me just see how it goes doing it that way so you examine just on infringement and he'll be finished sometime tomorrow and we'll talk again.

* * *

[76]Q You have the Byte magazine article in front of you?

A Yes, I do.

Q Did you read it at or about the time it came out?

A I don't remember when I originally read it. I reread it recently.

Q It deals with putting --

You testified earlier on direct examination that the "Datamark" literature says that it will detect extra or missing transactions. Where in the literature does it say that?

A Well, if I can go to the display --

Q Please do.

(Witness stepped down to the board.)

A The wording here is the "Datascan" will find all extra invoices and missing invoices.

Q The wording is extra and missing invoices and it's [77] not transactions, isn't that correct?

A I'm not sure I understand the difference. Transaction -- One single unique transaction produces one single unique invoice.

Q Mr. Mikula, when did you first start working with bar codes?

A In the late '70s.

Q When did you first start working with on demand bar code printing?

A I have to clarify just what I did. The controller board that we developed was a general purpose controller board which allowed a range of existing dot matrix printers to print bar codes. I have to differentiate what we did versus how the end users actually used what was printed. Ours was a general purpose controller. You commanded it to print a bar code and we did the dot-by-dot construction of the bar codes. The actual use of it whether it was what we call a batch printing process where a great number of bar codes are printed or whether it was on demand where bar codes are printed as you need them, I don't know necessarily where all these were used by the end users. We sold our boards to people who integrated them with computers and then resold them for various users -- to end users.

MR. GRIFFIN: Thank you, sir.

[78] MR. MALLIN: No questions.

THE COURT: Thank you, sir.

MR. MALLIN: Plaintiff calls Mr. Chovanes.

EUGENE CHOVANES, PLAINTIFF'S WITNESS, SWORN

DIRECT EXAMINATION

BY MR. MALLIN:

Q Would you state your name, please?

A My name is Eugene Chovanes.

Q What is your address?

A My address is, residence address is 114 Maple Avenue in Bala-Cynwyd, Pennsylvania, a suburb of Philadelphia.

Q Have you had experience with patents and the question of infringement of patents?

A Yes.

Q Would you tell the jury about your experience?

A Well, I am 65 years of age. After high school, I went into the Army World War II Europe, then I went into Lehigh University 1946 to 1950, graduated from Lehigh with a Bachelor's degree in mechanical engineering. In 1957, I went to work for a patent law firm called William Steel Jackson and Sons. This was a law firm, a very old-time law firm. I am still with that firm, Jackson and Chovanes. I am the survivor of the people in that firm. We have practiced

patent law -- I've been in the practice of patent law since 1957 to the present.

[79]Q In your practice of patent law, what kind of areas did you deal with? Did you deal with patent prosecutions before the Patent Office?

A Well, first of all, I'm a member of the bar. I graduated from Villanova School of Law in 1960 so I am admitted to practice in the United States Patent and Trademark Office since 1960 or '61 right in that time as a lawyer to practice before the Patent Office.

Q Have you practiced before the Patent Office?

A I have practiced before the United States Patent Office since 1960 but in fact from 1957 on I have been with a patent law firm, my predecessor, doing work for them in their their [sic] present firm.

Q Aside from practicing before a Patent Office, have you had experience in determining whether accused devices of one kind or another infringe patents?

A Yes, in my practice, I have evaluated patents, I have prosecuted patents before the United States Patent and Trademark Office. I have made searches on patent matters. I have defended patents in courts. I have prosecuted patents. I have appeared as an expert witness as I'm now doing in patent practice on a number of occasions. I have searched in the United States Patent Office which is a vast library of patents to determine in my opinion patentability or lack of

patentability validity of [80] patents. I have negotiated patent matters, licenses regarding patents.

I think that pretty well covers what I've been doing.

Q Have you had experience in evaluating claims and scope of claims of patents?

A Yes, I have. Each patent has a claim or claims and in evaluating patents and in determining whether there is infringement in my opinion or not infringement, I have worked on claims and could have -- When you apply to the United States Patent and Trademark Office for a patent, you write an application on behalf of the client with the invention and you must submit claims. That's the definition. That's the legal boundary of what the patent is for so I have worked with the Patent Office in perhaps hundreds of applications determining and arguing for claims and determining what claims are so I have had modestly extensive experience with claims of patents.

Q Have you done any teaching in the area of patents?

A Yes. I was a part-time or adjunct, however one wants to call it, of patent law at Villanova University School of Law from approximately 1968 to 1980 and I would teach patent law to the law students. This wasn't their main course, of course, but I would go out once a week for three hours combining two sessions into one extended one [81] and I taught patent law for I'd say approximately 12 years.

Q On the occasions when you have appeared as an expert witness in patent cases, have you sometimes testified on claim evaluation and infringement of patents?

A I have.

MR. MALLIN: Your Honor, I offer this witness as an expert on patents and patent --

MR. GRIFFIN: No need to voir dire, Your Honor.

BY MR. MALLIN:

Q Were you retained to make a study to determine whether the Westview inventory and control system, the "Datamark" and "Datascan" working together, infringed Mr. Markman's '054 patent?

A Yes.

Q Were you here in court to hear Mr. Mikula's testimony describing the Westview inventory control system?

A Yes.

Q Prior to hearing him in court, had he imparted to you the substance of that information about the Westview inventory control system?

A Yes.

Q Have you looked at other materials as part of your study?

A Yes.

[82]Q Would you tell the jury what other materials you have looked at?

A Well, I looked at the patent in suit. That's the reissued patent. I have looked at the original patent on which the reissued patent was granted or reissued. I looked at the file histories of both those patents. That means the record, the official record in the United States Patent Office, Patent Trademark Office -- I'll refer to it as the Patent Office -- which is a history, which is a record of every document that exists with respect to the prosecution how that patent was obtained.

One of the requirements in patent practice is that everything must be be [sic] in written form. If you interview the examiner, there has to be a record of that interview so I reviewed what's called the file history. That's the file of everything that went on with respect to the application of that patent, the examination of the patent, the responses from the actions of the Patent Office, the response from the applicant back. I reviewed both histories on that. There was prior art cited in the application, that is, prior art meaning patents or other possible documents which would show what went on before the application and the patent examiner, one of over a thousand who's a specialist in this area and is assigned to him, he's an expert, he will in his search and so forth [83] of Patent Office records determine to the best of his ability what is the best prior art, that is, what went on before and that becomes a record in this file so I considered that in the file history, in both file histories.

I have reviewed -- studied and reviewed a lot of documents of Westview, the defendant, in this action. Some of them are left over here but, for example, price sheets, operator's manuals both the 1985 "Datamark" and the 1988. I have studied the pleadings in this case, who is saying what, motions in this case, studied those, and a lot of brochures relating to -- of Westview relating to what or describing what their system does, how it does it.

Of course, as I stated earlier, Mr. Mikula demonstrated all this to me. I was present where he did it in a private session with me and I saw it again today. I saw the tickets. I have reviewed the tickets that are involved here. I have reviewed the printouts of the "Datascan" printer. There may be some others but I'm trying to review it.

Q Everybody will be happy to hear I'm not not [sic] going to try to mark all of that but there are a couple of things.

I show you Plaintiffs [sic] Exhibit 1. What is that?

A This a copy of the patent in suit what this case is all about.

[84] MR. MALLIN: May it please the Court, I offer Plaintiff's Exhibit 1 in evidence. Your Honor, since it's the patent in suit, I would like to pass it among the jury if I may.

THE COURT: My practice is all the exhibits will go to the jury at the conclusion of the matter unless there's some extraordinary circumstance so why don't we do it that way if you don't mind.

BY MR. MALLIN:

Q I show you Plaintiff's Exhibit 13 and ask you what that is.

A This is a copy of the original patent upon which the reissued patent in suit was filed and obtained.

Q When was the original patent filed?

A The original patent that is Plaintiff's Exhibit 13 was filed on April the 13th, 1984.

Q When was that patent issued by the Patent Office?

A This patent was issued -- by this patent, I'm referring to the original, Plaintiff's Exhibit 13 -- on October the 29th, 1985.

Q When was the application made for the reissue of the Mr. Markman's '054 patent, the patent in suit?

Q[sic] You said when was it issued?

Q First when was it issued?

A The patent in suit, Plaintiffs [sic] Exhibit 1, was issued [85] on September the 12th, 1989.

Q When was the application made for the reissued patent?

A The application for the reissued patent was made on August the 28th, 1987.

Q You mentioned a moment or two ago you looked through certain Westview brochures and literature and I want to direct your attention to Plaintiff's Exhibit 8. Is that one of the ones you looked at?

A Yes.

Q I direct our attention to the blow-up of that exhibit each side which has been marked as Plaintiff's Exhibits 8-A and 8-B and have you looked at those blow-ups as well?

A Yes.

MR. MALLIN: May it please the Court, I offer Plaintiffs's Exhibits 8-A and 8-B. 8 is already in evidence.

BY MR. MALLIN:

Q You touched on it in describing what you looked at. Will you tell the jury how you go about getting a patent from the U. S. Government? We'll start with an inventor coming up with an invention or what he or she feels is an invention.

A The U. S. Patent Office requires that an inventor or [86] his assignee who he sells his invention to in effect apply to the United States Patent Office for a patent and in applying, you must file a patent application. The application must conform to patent practice. It has to have a drawing if it lends itself to a drawing. It has a description or a specification of what the inventor feels is the best mode. It's not the scope of his invention but he has to put forth at least one preferred embodiment, is the word of art, to show one way, the way maybe he thinks is best at that time but he's

not held to that in time and then what is considered to be the most important part of the patent is the claim or claims. These come at the very end. You only need one claim in a patent but the patent practice permits you to put alternative claims in. It's somewhat analogous -- Excuse me. The claim is the legal definition of the patent. It's analogous if you own a piece of real estate if you look to your deed, a house or something, the house isn't described in all that but the area of land that you own is laid out starting at a point, a certain point from a corner back a hundred feet over to the west 200 feet so forth back to the beginning.

The claim of a patent is an attempt to find the scope of the invention with words, intellectual concepts and the law recognizes this going back to the Constitution. It's one of the few pieces of property [87] that's set forth in the Constitution of the United States. You set forth the claim and you're allowed to put in as many claims as you wish to try to differentiate the different scopes of your invention as well as trying to set forth by definition the invention in different ways because you're going to have to -- you get the right to exclude others if you get the patent for 17 years from that piece of property so the law, the patent practice is such that it gives you in this application, it not only gives you but demands that you set forth in your claim the definition of your invention, the legal boundary, when a patent is issued, what rights does it give the patent holder, if and when a patent is issued from the date of issue not before -- and precisely they're issued every Tuesday -- for 17 years from that date the patent, the patent holder which we call the patentee has the right for 17 years to exclude others from making, selling or using that invention defined, of course, in the claim or claims. After 17 years, it's now free for anyone

to do it. That's part of what the patent incentive of the incentive sentence patent meaning open to give them out after 17 years it becomes public domain.

Q You mentioned the ingredients of the application but I want to focus specifically on an issued patent itself like Plaintiffs [sic] Exhibit 1, the reissued Mr. Markman '054 [88]patent. What are the basic compoents [sic] of a patent issue?

A The basic components of a patent issue certainly the prior claims. You look at the claims as to what is patented, each individual claims and then there are drawings if the case lends itself to that and there are what we call a specification. It's a written portion which would include the claims but it sets forth in the description the preferred embodiment or as required by the law the best mode that the inventor contemplates at that time.

Q Is the claim of the patent limited to the preferred embodiment or the best mode?

A Absolutely it is not limited to either, absolutely not limited to either. The claim defines the invention and the claim is what you look to to [sic] see if it defines the invention. The best mode is one way of doing it or the preferred embodiment and that's synonymous.

Q Plaintiff's Exhibit 1, Mr. Markman's '054 patent, is a reissued patent. Will you tell the jury what that means?

A Well, as far as being a patent of invention, the reissued patent is simply the original patent that has gone back and in

effect been reexamined. In the practice, once the patent issued time is running, the reissued patent in this instance will run out 17 years from the [89] date of the original patent so the original patent sets the time.

Now if the inventor or patentee feels or believes is a more accurate term that the original patent is such that he wants it in effect reexamined because there's some prior art, for instance, that wasn't considered before and he feels for whatever reason it should be reconsidered or that as in this case he was entitled to more, inadvertently he could have claimed more -- I told you about how claims define it so he felt he should get additional claims, then you have the right to go back to the Patent Office with your original patents, in effect lay it on the line and say: Take a look at it, Patent Office, including these original claims. If they're no good, I'll take my lumps here but if they're good, set those forth again but I believe I'm entitled to not only what was given to me originally but I'm entitled to more.

In the specific Plaintiff's Exhibit 1, the reissued patent in the case, that's what happened. It went back to the same expert examiner, and said: Look, we want more. Here we believe we're entitled to more. Here's additional prior art that's come up. Someone said in a prior suit or something some things came up, we went to take a look at this and we went to take a look at this [sic] [90] including for our original claims.

Now the Patent Office as what happened in this case, the Patent office looked it all over this second time. They came to a conclusion that not only was the patentee entitled to those original 13 claims but they were entitled to even

broader claims and we talk about broad and narrow as to how big that definition is so Claims 14 and 15 were granted on the reissue.

Q Now --

A In addition to the original 13 in identical form --

Q So we're clear in this, the first 13 claims in the issued pat-- in the reissued patent were already in the reissued patent?

A That is correct.

Q Were they identical to the reissued patent ?

A Absolutely.

Q What was the effective date of those first 13 claims in the reissued patent?

A By effective date I understand that to mean that when did they become effective excluding others from making, using or selling the legal effect? Those 13 claims in the reissued patent were the original identical claims in the original patent, Plaintiff's Exhibit 13, those claims are effective as of the date of issuance of the original patent which was October the 29th, 1985.

[91]Q What is the effective date of the two additional claims, Claims 14 and 15, of Mr. Markman's reissue '054 patent?

A The reissue date on that is September the 12th, 1989 and those two additional Claims 14 and 15 are effective as of September the 12th, 1989.

Q Now would you please tell the jury what is meant by infringing a patent or a claim of a patent?

A Well, in determining infringement and talking about infringement, we have to consider one claim at a time because each claim stands on its own. To infringe a patent you only have to infringe one claim. Many patents or some patents only have one claim but nevertheless, we take one claim at a time. We see what that claim says or in patent practice what the claim requires. This is in an effort now to determine what that claim is, what it defines, what the invention is so we look at that claim and obviously we see what it's to. Is it to a system? Is it to a machine? Is it to a process? Is it to a substance such as a drug, something like that, pharmaceutical but we look to see what it is and then we see what are called elements in a claim. Now it can only have one element but the vast majority of things are a combination of elements but whether as one or more, we see what are those elements.

[92] Now we look to the claim of the patent which I said defines the scope. It's just like your piece of property I talked about and then we see whether the infringer is coming in on that, whether in effect it's a trespasser across your property. You have a right to exclude that infringer. To determine whether or not he is infringing, you must look first of all to the claim. You take the claim of the patent. What are the elements of that claim? Within those elements, what are the limitations? We call limitations, meaning, what

does it say about that? You look to see what does it say about all of that. Now once you look at the claim language, the elements and all that, now you look at the accused device, that's the term, or accused system. That's the term of patent practice. You look to the accused system and you look to see if each and every one of those elements in your claim -- Not one of them can be missing or in addition, if there's functional language, does it do what that functional language requires which means what the effect or how it works, you see if that's present in the accused device within the language of that claim and what is called by the accused. If you call something a leg and if it's a tail, it's still a leg. You look to see what it is and not what it's called. You look to see if those elements are present and that description or functional [93] language is present or its equivalent. Patent practice recognizes that there's -- you can't be drafting claims, everything. You must interpret that fairly, the claim so its equivalent in patent -- and patent practice has come down: Does that element or language there present in equivalent form, as to how patent practice has defined equivalent, form which means is it doing it in the same way, substantially the same way, to obtain substantially the same result with substantially the same means so you look to if it's not within the language -- and by language, I don't mean exactly those words, you still have the evuivalent [sic] -- you look to see if those are present in the accused system and when we say reading, we say if the claim then reads on the accused device because what you're doing is you're reading the elements of the claim and looking to see if they are present in the system. If each and every one of those elements the functional language or the equivalent is present, then infringement is made out.

Q Did you make a determination of whether Westview's inventory and control system comprised of the "Datamark" and "Datascan" infringes Claim 1, PX 1, Mr. Markman's '054 reissue patent?

A Yes, I did make such a determination.

Q And did you read Claim 1 on the accused system?

A Yes, I did read Claim 1 on the accused system.

[94]Q I'd like to put Claim 1 up so the jury can follow what you're doing.

(Counsel did so.)

MR. GRIFFIN: Your Honor, may I walk around so I can see?

THE COURT: Sure. Walk around and make yourself comfortable. You don't need my permission.

BY MR. MALLIN:

Q Is Claim 1 a dependent or an independent claim?

A Claim 1 is an independent claim.

Q What is the difference between an independent claim and a dependent claim?

A Well, I said earlier that patent practice permits more than one claim as far as setting forth defining the invention. Now

I also said each claim stands by itself. Now the first claim, for instance in this case, is independent in that it sets forth the system that is being patented here and it sets forth the elements and I'll be referring in my own way to elements A, B, C and D and then it concludes with functional language "whereby". That's an independent claim. It's standing in effect by itself.

Now Claim 2, which isn't here, but this is to illustrate it, that is it's not on the board, it would say: A system of Claim 1 having further, and it defines some further limitation.

[95] Now we say that 2 is dependent on 1. First of all, patent practice permits that kind of a writing simply so you don't have to put in 2 because it does stand totally by itself. It's not dependent in that way. It stands by itself but instead of putting in B -- A, B, C [sic] D, all that stuff again, when it says: A system of Claim 1, then you have to take everything from Claim 1 and put it in 2 wherein -- this is illustrative -- Element D is a pink color. Now we don't make patents in pink color. I'm just trying to illustrate something which means 1 back there not only covers pink but covers red and blue and everything else so we have that sort of independent and dependent claim and it would just follow that if you did not infringe an independent claim which means you didn't have Elements A, B, C, and D, then you would not infringe dependent Claim 2 which says A, B, C and D is pink so this is simply a way of shortcutting writing but you must go to each claim but dependent always means everything on the claim or claims prior in which it's dependent is included in this claim.

Q Let's come back to Independent Claim 1 which stands on its own. Would you please, and feel free to step down by using the blow-up of Independent Claim 1 which I'm going to mark as PX 1-A and the charts that are up, the "Datamark" and "Datascan" or whatever you want to use, [96]would you please read Independent Claim 1 on the accused Westview system?

MR. GRIFFIN: Objection, Your Honor. That seems to me to be asking the witness at this point to then give -- substitute for the jury determining the ultimate question.

THE COURT: Well, no. I think he can read it if you insist that he do.

Is that the most useful way to present it because it's admitted into evidence.

MR. MALLIN: He's going to read the claim on the accused device so you go down through the claim and you show this is where it is on the accused device.

THE COURT: All right. I'm with you now.

Overruled.

BY MR. MALLIN:

Q Using whatever material you choose, and you can step down, would you read Claim 1 using -- so the jury can read it -- Plaintiff's Exhibit 1-A which is a blow-up of Claim 1 and whatever other materials. Read Claim 1 on the accused Westview system.

MR. GRIFFIN: Same objection, Your Honor, because I believe that's the function of the jury in this case.

THE COURT: Overruled. Rule 704.

[97] (Witness stepped down to the board.)

A This is Independent Claim 1 of the reissue patent in suit and the claim runs from No. 1 down here to the period at the very end. It's -- In patent practice a claim is set forth in a long sentence regardless how long the sentence is and there are abbreviation marks. Again you're permitted to choose -- The drafter of the claim is permitted to choose how he wants to present.

Now in this instance, we look to what the claim introduces, what is it about. It's the inventory control and reporting system, comprising --

There's been a lot of testimony. You've seen it. Places where I really feel there's absolutely no controversy I will still cover it but I won't go into it in depth and I think there's no question referring, for instance, here to Plaintiffs [sic] Exhibit 8-A that this is the accused system is an inventory control system, reporting system comprising -- Comprising is a word you'll always see which means with a colon we're now going to set forth these elements and may I mark this if --

MR. MALLIN: It's all right with me.

THE COURT: It doesn't matter to me, sir. Whatever you'd like.

THE WITNESS: Okay. Thank you.

Nothing magic in the marking. I'm just trying [98] to go through it.

Now, if we took this and we simply -- If we took this as a data input device, here, we have A here. That's a data broadly speaking. I told you about the four elements here so we have the data input device as A, a data processor that would be B then a dot matrix printer, this is C, at least one optical scanner I'll designate that D so we have elements, broadly Elements A, B, C, D. Again I don't think -- On the "Datamark" the data input device is the keyboard. You put in the data with that. It doesn't matter what you call it, what the accused device calls it and so forth, in the patent itself, in the description it's clearly the keyboard but the drafter of the claim he's got to try to foresee and cover within the invention whatever possibilities may arise that are validly his so it was set forth as a data input device under the patent. It's the keyboard so you have a keyboard on the "Datamark". No question that's there.

Again, data processor. Mr. Mikula was here testifying as an expert in his area and he indicated in here that this is a data processor or microprocessor or form of computer. Those are all within what's called a data processor. Again no question.

Now a dot matrix printer and I will go back incidentally and go into these in detail. I'm trying to [99] give a broad picture now. A dot matrix printer. Here was the printer. The ticket when he typed it came right out here. There's a little printer right there. He has two little things

there: Pup, pup, pup. At least one optical scanner. Again, all those things I studied, reviewed over there's no question that this is a scanner goes over within that so we have Elements A, B, C, D.

Now we have to go back. Now let's see about this other thing in here. "A data input device for manual operation by an attendant". Well, the person, in this case the laundry clerk, the one that's there, takes them, puts in suit, coat, whatever it is there. By attendant. "The input device" -- Now we go back in here. The input device that they're talking about is in here -- "having switch means operable to encode information relating to sequential transactions".

Now let's go here for just one moment to this sequential transaction. Sequential means one following another.

MR. GRIFFIN: Objection, Your Honor. The basis for my objection is the way Mr. Chovanes is proceeding is it's my understanding that the determination of the scope of the patent is a question of law for the Court. He can help the jury out as an expert in saying how he thinks you can look at the accused device but to interpret, take away [100] the Court's function and to interpret the patent itself is improper.

THE COURT: I'll hear the testimony. I can use all the help I can get.

BY MR. MALLIN:

Q Go ahead, please.

A Now sequential -- Up in here sequential transaction simply means one after another.

Now going back again to the keyboard, "having switch means" -- again that's simply keys in the accused -- "operable to encode information relating to sequential transactions".

Well, that's what happens. One customer comes in, the manual operator encodes, puts in there -- encode means take data from one; put it into another medium. It's putting it into the computer putting it into a microprocessor: One shirt, puts it in the memory of that processor, plaid, punches it, puts it in the memory of the processor so it's encoding that information into the memory of the processor. So it is encoding information relating to those sequential transactions.

Customer 1 comes in: Coat, suit, tie. Another person comes in next: One dress, sweater, so it records it.

"...each of the transactions having articles [101] associated therewith".

In other words, it's encoding information which we will see then will be printed out on a ticket relating to those articles.

"...descriptions of said articles associated with the transactions".

So clearly here along with its limiting language here is being read on the accused system, the keyboard is there with these things.

Now Element B -- and remember I have just designated them Element B for my explanation purposes -- a data processor. Okay. I said we had a microprocessor including memory. See these are certain limitations -- including someone here -- "... memory operable to record said information."

Well, the said information is this up in here, said information including transaction identity.

Going back for one moment, transaction identity it puts in information about that. Now Mr. Mikula and the operating manuals and all this when a person comes in, you put a customer identification on there. It's a customer tag number. In this instance, they put it right here, Tag 121961 on this ticket. The customer comes in and they give a customer identification so it has that "including memory operable to record said information".

[102] Well, as set forth in their manuals and as was shown here and so forth by Mr. Mikula, when we put in the custommer [sic] one, you put in one, then here pants, sweater, color here, the color's right here blue, that appears on this thing here, on the scanner and it's in a memory of this computer. The memory is holding it in there. Mr. Mikula pointed out how when you put the ticket in there even after you print out one and go to the next item in that transaction, it's still in that memory because before you print the total, you go back and change and see it so the computer

here it does have memory operable to record. To record is when you put it on the ticket here in this instance then it's recorded on the ticket but it's put in from the keyboard, it's encoded into the microprocessor, the microprocessor holds it there and it puts it on the ticket but it still holds it until we -- We'll get to that at a certain point.

"...and means to maintain an inventory total". That's another thing that this data processor includes a memory. I told you how it reads on it there, "...and means to maintain an inventory total." Well, that's inherent in this system because Item -- the first transaction comes in: One sweater, coat, $7.00. It's remembered in here. It's always remembered in here as to the total of that transaction $7.00 so then when -- as Mr. [103] Mikula stated and is in the operating manuals and so forth, you can at any time get this computer, get this "Datamark" to tell you what is the total like. For instance, if you start off in a day, the total is zero. You get 20 customers in, I mean 20 transactions and you say: I wonder what my inventory total is: pup it hits: zet, zet, zet it prints out, it will show you by inventory or invoice number and for that day if it's 001 happens to be the first one and so forth, it will have $6.00, next one so down at the bottom it will show the inventory total for that day. It's in the operating manuals and it's just the way the system works.

We're reading it through now. "... said data processor" -- that simply -- "having means to associate sequential transactions" -- that's one after another -- "with unique sequential indicia".

So here we have "sequential" transactions -- it repeats that word in there -- one after another -- "with unique sequential indicia". Those words there cover -- If you recall, the "Datamark" here assigns an invoice number. That's this number right here. That's this number right here, on here. It's zero, zero, one eight. It assigns that number to it and also as we will see this bar code down here is that same number written in this scan that the expert was talking about today how you scan [104] all that so anyway the processor has means to associate the transaction with unique sequential indicia. It gives an invoice number and that bar code "to generate at least one report of said total".

Now that's where it takes the zero, zero, one invoice number $6.00, zero, zero, two, $8.00, zero, zero three, $9.00 and gives you the total so that generates the total. "...report of said total". That's this inventory total we're talking about here. " Said" is a fancy way of going back the way it was maintains that total, "generates at least one report of said transaction" so the total is in there and the transactions are in the report by the invoice number you identify it. It's over in there.

Now the next term here, " unique sequential indicia", that is the invoice number -- " and the description of articles " -- the description of articles was pants [sic] sweater, blue; the next one was sweater, yellow, some other description and so forth -- those description of articles -- so now we have unique sequential indicia. That's the invoice number and the description of articles in the sequential transactions. That's each one, the serial numbers on each ticket now and there's a description of articles on the tickets.

If you'll recall when they're printed out, the -- not only recall but it's right on there -- "the [105] unique sequential indicia and the sequential transactions being reconcilable against one another."

Now you can go out to this point which is how this thing works, this is Westview's brochure but you see -- and we're all familiar with this -- here's a batch of clothes or a package of clothes that's enveloped in a plastic envelope and attached to that envelope is this ticket that has been printed up, this invoice number and so forth so not only this is perhaps -- well, it can be anywhere in the system where this is so enveloped -- but you can look to see here the invoice number, which is the unique sequential indicia, and you can look at the list of clothes in this case one pants, black, CK -- maybe that means check -- and you can see is there a pair of black pants if you look in there or is there a gray suit, is there a pantssuit [sic], so forth so you can reconcile, which means check one back against another, you can reconcile to make certain that the invoice number which represents that transaction and the items identified with that transaction which are right here, the specific items are right here on the ticket. You'll go out and you'll simply -- I mean go to that point and when you say reconcilable, you'll see if they're there if one agrees with another.

We've gone through A and B. Shall I continue with C and D?

[106]Q Yes.

A C is a matrix printer. It works -- The data processor is what works it there "to generate a written record of the indicia associated with the --

The written record is the ticket. They have to print it out. The indicia that they're talking about is the indicia above associated with sequential transactions. It's the invoice number as well as the bar code. It didn't call for the bar code yet but it will. That's the indicia, a written record of the indicia associated with. That's the invoice number in the bar code. It generates that on the ticket. The written record. That's the ticket. I'll just put "ticket" here (Writing) "including -- Now the written record which is the ticket -- "including optically-detectable bar codes having a series of contrasting spaced bands".

There's no question of course on that. The bar codes are on there, on tickets printed out here. Here's Plaintiff's Exhibit 25 and Plaintiff's Exhibit 26. The bar code is down here in the bottom and seeing them right there which are printed right at that time, "including optically-detected bar codes" and that's the purpose of having a series of contrasting spaced bands. They have that. "...the bar codes being printed only in coincidence with each said transaction". Well, they don't exist. When [107] the ticket goes in there as brought out by Mr. Mikula, it doesn't have any bar codes. When it comes out of that printer, it's got them so they are printed only in coincidence with each transaction and the only printed ticket for each transaction. It's only printed when the goods are brought in at that time so -- "... and at least part of the written record". At least part. It could be the whole but at least part of the written record, "bearing a portion to be attached to said articles".

To be attached. In other words, when this ticket is printed here under here, it's to be attached to the said articles. Well, we can see clearly here on their own this is a written record attached to the articles of the individual articles there and they have an envelope over them and they're attached. You can go look at it and see if those individual things are right there.

This is at least one optical scanner connected to the data processor which it is connected through here at one point. You take this "Datascan" and you put a connecting line in there and so forth and, "operable to detect said bar codes on all articles passing a predetermined station".

Let's take the station, here. Whatever it is is a station and bar codes are being detected on all articles at that station. It could be when they're being sent out [108] the door finally when a customer comes or when or as stated in the operating manuals and that sort of thing you take a physical inventory, you go out and go wherever those things are in the system and you scan them to see what's there and what isn't.

" Whereby" -- we call this functional language. It's not part of D. Remember up here I said that was the preamble so this is functional language. It tells you, puts in there what the system does. "Whereby said system can detect and localize spurious additions to inventory as well as spurious deletions therefrom". Of course you know spurious is false or counterfeit or whatever you want to call it. The manual and everywhere else, manuals they have that but here showing you right here in this "Datascan" which is the opposite side of this after a physical inventory is taken by simply wanding -- wanding is the bar code -- on each invoice

hanging on line -- there you are -- "Datascan" will find all extra invoices and missing invoices, compute the inventory cash total and provide a printed record".

And again as Mr. Mikula pointed out here after it's been scanned, it shows a list of invoices so much on Plaintiffs [sic] Exhibit 8-B and missing invoices and the extra invoices so you see there's some invoices in there that shouldn't or some invoices that should be and weren't when [109] you're computing the total.

That is the way I would read that claim.

Q Have you reached an opinion as to whether Westview's accused inventory control system comprised of the "Datamark" and the "Datascan" infringes Independent Claim 1 of Mr. Markman's '054 reissue patent?

A Yes, I have reached an opinion and based on the analysis, of course, in more depth or extensively, I've done my opinion is that there is infringement of Claim 1 of the reissue patent in suit by the accused system that has been testified to here today.

(Witness resumed the stand.)

Q I would now like to direct your attention to Claim 10 of Plaintiff's Exhibit 1 reissue patent '054 and I'll put a blow-up before the jury that I'm going to mark for the jury as Plaintiff's Exhibit 1-B. This is much shorter. Would you please read the Dependent Claim 10 of Mr. Markman's patent on the accused Westview system?

A Yes.

(Witness stepped down to the board.)

I said this is dependent back on 1. The system of Claim 1 is everything here. I won't cover it.

In order to infringe Claim 10, you must infringe Claim 1.

Now further -- It's a further limitation -- It [110] means something that you have to satisfy more in an accused device. The accused device now has not only a cover now but blue. "Wherein the input device" -- that's the keyboard -- "is a keyboard having alpha-numeric keys".

Mr. Mikula testified to that and apparently if it's got numbers on there, it's got numeric. If it's got the option of having those keys -- and I'm no expert on this -- if you put in A, B and C, then you've got the alpha so my understanding is from the testimony and I think the description as I recall it in the accused device's operating manual they are alpha-numeric keys, "and also having keys specific to plurality of common attributes of the articles --

Here, for instance, plaid or red. In other words, you may have a red shirt but you may also have a red dress so that is what is meant by plurality of attributes of the articles.

-- "and common optional attributes of the sequential transactions, said common attributes being recorded using single key strokes." Of course they mean the common attributes of both of these so red for either a dress or pants is a common attribute and single key strokes.

Now common optional attributes of sequential transactions. For instance, there's a percent here. [111] Well, when I went to the cleaners the other day to get mine, they gave me a senior citizen's discount so that would be a percent that would be a discount off. I accepted it with mixed emotions but nevertheless, that would be the attribute there. I think it would come under 10.

Q Now, would you turn your attention to Claim 14?

A Should I go up there or come down here?

Q Either way. You can sit up there because I won't take the jury's time to go to the blow-up.

Before I go to 14 on Claim 10, did you arrive at an opinion as to whether the accused Westview system infringes Dependent Claim 10 of Mr. Markman's '054 patent?

A Yes, I did arrive at an opinion.

Q What is your opinion?

A That the accused system, Westview system does infringe Claim 10 of the patented suit.

Q Now turning to Claim 14 of Mr. Markman's '054 reissue patent -- I'm going to put it up for the jury but I'm not going to ask you to read through the blow-up of Claim 14 I'll mark as Plaintiffs [sic] Exhibit 1-C. Is Claim 14 an independent or dependent claim?

A It is an independent claim.

Q Did you read Independent Claim 14 on the Westview accused system?

[112]A Yes, I did.

Q Did you arrive at an opinion as to whether the Westview accused system infringes Claim 14 of Mr. Markman's '054 patent?

A I did arrive at that opinion, yes.

Q What is your opinion?

A My opinion is that the accused system does infringe Claim 14 of the reissue patent.

Q I'd like to return to Claim 1 for a moment, please. Perhaps it would be easier if you came down here so you'd be in front of the blow-up.

(Witness stepped down to the exhibit.)

Q I'd like to direct your attention to the particular language, " a data processor including memory operable to record said information, and means to maintain an inventory total".

I want to ask you specifically does Claim 1 in Mr. Markman's '054 patent require that the descriptions of each article maintain -- be maintained in the computer memory until the customer comes and gets his or her order back?

MR. GRIFFIN: Objection, Your Honor. That is a question of law for the Court and as Mr. Chovanes knows and the Court knows, the proper interpretation of that independent claim requires a review of the specifications [113] and drawing and also of the file and he's now asking for a legal conclusion from Mr. Chovanes as opposed to asking him for any type of factual testimony.

THE COURT: I'll hear it. Yes, sir. I didn't mean to cut you off.

MR. MALLIN: No, Your Honor, I do not after your ruling is favorable.

THE COURT: Okay.

BY MR. MALLIN:

Q Would you answer the question? Do you remember the question?

A I remember the question. I would prefer if the reporter --

THE COURT: No, just rely on your memory.

A The answer is no. I don't want to get a double negative there. No. That is, it does not require that it be maintained beyond ad infinitum.

Q Please explain.

A Well, here it says, "a data processor including memory operable to record said information".

It is required that the processor do remember and in fact the data processor does remember it. It remembers it until it's recorded on the ticket. Once it's recorded in the ticket, there's no need -- there's no requirement of the claim to maintain. The word is not up [114] in here: to maintain up in the memory operable to record information. It is not required to maintain.

Q What is required to be maintained?

A What is required here is to be maintained an inventory total which is a total of the price, the total price on each individual transaction so there must be a total of those transactions in the way that is shown on the ticket here in this exhibit. There is a -- the invoice numbers which indicate transactions. Each transaction is remembered here by an invoice number and then this is also maintained in the data processor, micro-processor is the invoice number and the amount on that ticket, individual ticket total, individual transaction total is maintained in the computer and then the total down at the bottom, the total down here on this ticket, that's the inventory total. That is required under the claim to be maintained. That's this inventory total here. Data processor including means to maintain an inventory total and we can see it does that.

Q Now does Independent Claim 1 that Mr. -- of Mr. Markman's '054 patent require that part of the written record, the ticket, be attached to each individual garment which is part of the transaction?

A No.

Q And please explain why not.

[115]A Well --

MR. GRIFFIN: Your Honor, for the record I'd note the same objection that I made to the last conclusion.

THE COURT: Of course, sure.

A May I answer that?

Q Yes.

A One of the ways is to simply look to the patent itself which is Patent Exhibit 1 and in numerous places throughout that patent in setting forth what is the best mode and so forth, they talk about the ticket being -- the tag being attached to badges, in other words, or badges they're alternatives but in four or five places in here there is a reference to a ticket being attached to batches of the articles so in the claim, for instance, in Column 4, Lines 48, the bar code tags which are the ticket here may be attached to articles of clothing and/or batches thereof for use with standing apparatus which would facilitate generation of reports according to the various things there but -- and in a number of places there you read that batches and/or means or batches, the bar code tags may be attached to articles of clothing or batches that are on there so clearly they're being attached to what we can designate here as batches but to the clothing, to the articles.

[116]Q In patent practice, is it customary to refer back to the specifications in the patent to help you understand what the claim is?

A Yes. If there's any perceived ambiguity, you may refer back to the specification to clear that up.

Q Is there a claim of Mr. Markman's '054 patent that does require the ticket or a portion of the written record to be attached to the individual articles of clothing?

A Yes. There is a Dependent Claim 5 that is directed to that specific embodiment.

Q I have a blow-up that shows -- Dependent Claim 5 is the one you referred to?

A I believe --

Q It shows several but it shows Dependent Claim 5. Using that blow-up which I will mark as Plaintiff's Exhibit 1-D, would you point out to the jury where that dependent claim requires that a ticket or a written record or a portion of it be attached to the individual items of clothing?

A Well, Dependent Claim 5, again you'll recall about dependent claims where here 5 is the system of Claim 1 so everything in the system of Claim 1 that we went through earlier is in Claim 5 and it goes on.

" Wherein the written record" -- that's the ticket -- that's multiple separate parts concurrently" -- Now [117] Claim 5 stands by itself. It's an entirely different claim. The plaintiff

is not claiming it's infringed but where there would be such an arrangement where the written record, the ticket, "has multiple separate parts printed concurrently" -- you can separate them -- "including a customer ticket, an establishment ticket and a plurality of article" -- that says taps there; that in a patent 2 is a typographical error -- that should be tags -- "at least one of the tickets and tags having a bar code printed thereon and each tag being detachable from the written record for direct association with at least one of the customer articles".

So that would require I think at least one direct attachment to at least one of the articles.

Q In patent practice, is it appropriate, is it an appropriate interpretation to take a new limitation in a dependent claim and put that back into the independent claim?

A No, no. Again -- I just pulled this analogy up but if the independent claim would say "of color" and the dependent claim says " blue", it doesn't mean you've got to take it back; just the opposite that you've got to take blue into the independent. The independent stands by itself. Dependent is specifically directed to -- And each claim stands by itself is specifically directed to, [118] for instance, a blue sweater. In this instance, Claim 5 is a specific claim directed to direct attachment on at least one article which would mean that the Independent Claim 1 on which this depends is broader so we're back to support for the argument that the specification says batches. You don't have this written record under Claim 1 is not required to be attached to each article. A batch of articles as you see so clearly here in Plaintiff's Exhibit 8-A where it's enveloped with this wrapping and then the ticket

is attached to those articles by those means provides the necessary support for that to read on the claim for the claim to read on that system.

MR. MALLIN: You can take the stand if you would.

May it please the Court, I offer in evidence the blow-ups marked 1-A, 1-B, 1-C and 1-D.

That's all I have, Your Honor.

* * *

[119]BY MR. GRIFFIN:

Q Mr. Chovanes, let's get right to the heart of it, okay? For your opinion to stand up, inventory has to equal dollars, doesn't it? It can't equal articles of clothing.

A The answer is that articles of clothing are included in the inventory so I can't answer -- I mean I just don't follow your question.

Q Well, then let's go put back up on the easel Plaintiffs [sic] Exhibit 1-A which was Independent Claim No. 1 and you went through all of this and you told us that the "Datamark"/"Datascan" system infringed for a lot of different reasons but you said it had a means to maintain an inventory total. For that to be right, inventory has to mean dollars, doesn't it?

A The inventory total referred to in "B" that you are pointing to there is in the accused device a dollar total.

Q All right. And given your interpretation and when you say inventory means dollars there, you need a system to make sure that it can detect localized spurious additions to inventory; somebody is going to put money into the till?

A I don't -- Is your question is someone going to put [120] money into the till?

Q The spurious addition means illegitimate addition, doesn't it?

A May I come down?

Q Please stay there.

A Well, I'll refer to the claim. I want to be careful that I answer your question based on my understanding so I must understand your question and then I will answer. Your question is as to the "whereby" clause, "Whereby said system can detect and localize spurious additions to inventory as well as spurious deletions therefrom"?

Q Yes, sir.

A And my answer is yes based on Westview's own representation.

Q So inventory there must mean dollars?

A It ends up in dollars but that's why your very first question when you said is inventory totally dollars, inventory is tied in with the transactions and the transactions very

clearly identify the articles of clothing. Those are identified in the written record so --

Q Let's go back?

A I'm not through with my answer yet.

So in the written record, there is a total at the bottom of dollars for that particular transaction on a [121] ticket and it -- that can be seen over on this exhibit.

Now that dollar total on the ticket is carried forward in the "Datamark" in the accused system but that dollar total is also reconcilable through the number with the articles so inventory -- although the inventory total carried by the accused system in the printout is a dollar total, that's reconcilable back with -- through the written record with the invoice numbers as well as the articles associated with that transaction so it is all tied together.

Q So you're saying, sir, and let me make sure I understand it, that the written record that reconciles all of this and allows the system to reconcile all of this is the invoice?

A The claim calls for it in those specific elements and the requirements of those elements. Included in the elements of the claim is the written record. It's one of the elements which is by the accused system which goes to this entire way it works, the way it works, the way you describe so a ticket and invoice or ticket, same words for both things, is part of what is called for in the Claim 1 and which is present in the accused system.

Q Sir, you didn't direct the jury's attention back to the patent itself to the specifications and the drawings until you wanted to deal with the question of whether [122] something was to be attached to individual articles. I'd like to direct your attention back to the patent itself and I'd ask you to look at Page 5, detail description of the preferred embodiments.

A Excuse me, Mr. Griffin, you're talking about Column 5?

Q Column 5.

A Yes, because there are two columns labeled on each page.

Q Look over actually at Column 6, sir.

A All right.

Q And it's describing what happens. "Information -- Talking in terms of articles of clothing and I direct your attention to the second full paragraph.

A Excuse me. There are line numbers.

Q I'll direct your attention to Line 20.

A Column 6, Line 20?

Q 20 right before the printed line.

A I have it.

Q It says, "This information is manually entered on a data input device especially adapted for drycleaning operations, and is stored in the system memory".

That referred to descriptions of the article of clothing?

[123]A Now we're reading as to how the preferred embodiment in the patent is?

Q We're looking at that and we're going to try to find out from all of this what inventory means, sir.

A You read correctly and are you asking me to define information now, is that --

Q Then do you think information there refers to information about the individual articles of clothing?

A Well, right up above in the sentence before it says, "The keyboard is discussed more fully hereinafter. At least information as to the customer's identity is required" -- That was the customer's number that we talked about in the accused structure -- "together with information as to the type of articles being deposited suit, color, so forth and the particular operations such as dry cleaning to be performed on the articles" and in particular, of course there's designated dry cleaning or laundry or provisions for that. "This information is manually entered on a data input device."

That was your question. The information set forth there is the same as the information that's being put in by the accused.

Q And it's stored in system memory then and the remainder is itself stored in the system memory. That's what it says there. The information isn't stored in the [124] memory system in the "Datamark", is it?

A It sure is.

Q It's stored in the system memory?

A It sure is.

Q And you can go back to this system and if you don't have the invoice, you lose it, you can say: What did Mrs. Jones' number, whatever her number is, order? What's it made of? You can do that with this system.

A That's not what it's saying in this preferred embodiment and that's certainly not what the claim requires. In the operating manuals, both '85 and '88 of Westview, the information that is put in as to garments, customer tag -- customer's number is stored. The claim calls for operable to record. Mr. Mikula testified when that information in the "Datamark" appears on screen, it is stored in the memory of that "Datamark" microcomputer, microprocessor. It's stored there and Mr. Mikula brought out how you can even revise that or get a print back on that until you finally push the total or the "Enter" key on that particular transaction so the claim calls the memory to be such and specifically, "a data processor including memory operable to record said information".

The "Datamark" processor does remember the description of articles and that satisfies the claim.

Q You're telling us because it keeps it there until you [125] print out the ticket, that is storing it in memory?

A Until you print out the ticket but finally the ticket is print [sic] out, it is still stored in there while individual lines of the ticket as Mr. Mikula said but essentially, right, I am saying that the claim is satisfied, Claim 1 is satisfied, the language of that claim which defines the invention, the limitation that the data processor includes memory operable to record said information. My testimony is that that data processor, "Datamark", has memory operable to record said information meaning as to the specific articles as well as the tag, the customer's number until the ticket is finally completely printed.

Q All right, sir. Let's try it another way.

Background of the invention. Paragraph 1. "Field of the Invention. This invention relates to inventory control devices capable of monitoring and reporting upon the status, location and throughput of inventory in an establishment".

Do you believe, sir, that that inventory there is associated with cash?

A Will [sic], yes, it's associated with cash.

Q Does it mean cash?

A Sir, may I just explain that when you say associated with cash, the invention in the specifications where you refer to the background is patent practice to tell the [126] general area when you first get in. What is the area? This is the area

of inventory control and it gives broadly the area that it's entered into but I must get back to say to look to define the invention, you look to the claim. This language is simply background material and even at this point in the patent, you're simply giving what has gone on before and what the background is but in no way can you take each word and apply it to the definition of the invention. It just doesn't -- That's not patent practice.

Q All right. Let's just look at the claim without reference to anything.

A All right.

Q What you've labeled as Paragraph A --

A Element A.

Q Doesn't that just describe a typewriter?

A Well, a claim does not describe anything.

Q Let's put it differently.

A I'm not through yet.

The claim does not describe anything. It defines. It's laying out areas so you don't look to say does "A" describe a typewriter. It doesn't. It defines a certain element in a certain way so you look to see when you, just as we did it in determining whether or not a claim is infringed, you take the language of the claim and [127] and [sic] you apply it to the accused device or the element of the device.

Q I take it, sir, you're getting paid to testify here today?

A I certainly am. I have a big family.

Q How much?

A I am getting paid $150.00 per hour which is my normal rate.

Q Now, you say Paragraph A defines something?

A Yes.

Q Can it define a typewriter?

A Is your question does it?

Q Is a typewriter a data input device?

A A typewriter has a keyboard. In that sense, you put data into that machine by virtue of a keyboard so in that sense, the term data input device for manual operation by an attendant, as to that specific language, the answer is yes, the keyboard of a typewriter would be a data input device.

Q Okay. And having a switch is keys operable to encode --

A Are you asking me that question or are you telling me that is the case? I mean if that's a question --

Q No, it's not a question.

A I'm sorry.

[128]Q When you go through this and if you took what you have labeled as Section A, a typewriter could be defined --

A If your question -- and I'm just trying to make certain we understand each other, Mr. Griffin -- if your question is does Element A -- could Element A read on a typewriter --

Q Yes.

A -- I will then answer that but I have to look at it so you'll have to bear with me.

"A data input device for manual operation by an attendant" -- You put data into it as I have testified. -- "the input device having switch means operable to encode information" --

Well, it encodes. In this instance it encodes it directly from the switches on to the paper so it's encoding information broadly. -- " relating to sequential transactions" -- Well, if you had a typewriter and people were there bringing in -- typewriter at the laundry, for instance, and one customer was coming in after another, it could type out individual tickets so that would be yes. -- "each of the transactions having articles associated therewith" -- So again the typewriter could be at the desk of the laundry and the person typing out and each transaction the articles would be there [129] -- " said information including transaction identity" -- Well, you could have a list and type on the customer's invoice number on a sheet or ticket so yes -- "and descriptions of each of said articles associated with the transactions".

You could type out the description and so forth so again to the question by itself would Element A read on a typewriter in a laundry receiving as we've set forth, the answer is yes.

Q Now I'd ask you to accept, sir, that the term data processor can be used to refer to a number of things and in a number of businesses refers to a clerk whose job it is to input data and and [sic] with that, I'd ask you if the paragraph that you labeled "B" whether that would read on a system that had a smart clerk with a pencil and a piece of paper?

A I'm drawing a blank as to visualize what you're saying.

Q A data processor meaning a smart clerk --

A Meaning not a machine but a person?

Q A person.

A I don't think data processor is used that way.

Q I believe, sir, that we can find plenty references to data processor meaning an individual who works in a data processing department whose job it is to --

[130]A But the data processor there would be working with a data processing machine. Is that your hypothetical?

Q He or she could be or he or she could manually --

A Does the person have a machine or not have a machine in your hypothetical?

Q No, sir, no machine yet. We'll add that later.

A And what is your question?

Q Doesn't that read on a smart clerk with a pencil and a piece of paper?

A Oh, I could never testify to that. A data processor reading this claim and looking what's involved including memory operable to record said information, that refers to a machine and means --

Q Well --

A Excuse me. I'm not through yet. I'm sorry.

"...and means to maintain an inventory total, said data processor having means to associate sequential transactions with unique sequential indicia and to generate at least one report of said total and said transactions, the unique sequential indicia and the description of articles in the sequential transactions being reconcilable against one another".

No, my testimony with that element would never cover a person with a pencil. You look to what is the invention all about and such an interpretation would be [131] absolutely absurd. I would not practice patent law if --

Q Well --

A I'm not through.

-- if that was any semblance of logic or -- No, absolutely not.

Q Well, sir, let's go back. We're talking about an inventory reporting control system and you're saying and you've defined what inventory is going to be for us and I'd like to go through here and see how we can match it up to other things.

If we say," a data processor" -- and we call that person a clerk -- "including memory operable to record said information" -- the person only has to have the mind to be able to write it down with a piece of paper and a pencil -- "and means to maintain an inventory total" -- that's the paper where he keeps the running list -- "said data processor having means to associate sequential transactions" -- which is to put down in your words a unique number with it -- "and generate at least one report of said total" -- that's to total it up at the end of the day, isn't it? -- "and said transactions, the unique sequential indicia and the descriptions of articles in the sequential transactions being reconcilable against one another" -- that's just looking on that list back and forth"?

[132]A Is that a question?

Q Yes, sir.

A Well, it's my really humble and respectful opinion you're totally wrong and just without any basis. The data processor here refers to a machine. We look to the patent. You

interpret the data processor. There's no ambiguity there. It's in reference to a machine. Now you then could take every patent virtually in the U. S. Patent Office and say: Can a person do that? Can a person do that? And that would be totally outside of any inventiveness.

Q Then it's correct to avoid something like that which is a literal interpretation of this claim, you go back and you take a look at the specifications, the file wrapper, the drawings to see what this patent covers and what these words mean, isn't that correct?

A I disagree that your representation is a literal interpretation of the claim. In patent practice, a literal infringement looks to -- you look to the elements of the claim and see whether they're present in the accused device in terms of what the patent is all about. This patent isn't about a clerk, as respectful as I am of clerks, it's not with respect to a clerk and a pencil. The patent by all we've described and all we've been talking about and all that's in a patent is with reference to a [133] data processor which is a machine capable and well known -- As Mr. Mikula said, he has been in the forefront here. He got into -- Microprocessors used to be big then they made them small. They put on the chips. I don't know anything about this data processor in terms of wiring and all that but I think that -- And this is written for a person skilled in the art. A person skilled in the art here would know what a data processor is in terms of it with the introduction of the chip in 1951 or 2. We all know that. I mean you go in, you don't have a clerk print out my credit card, things and all that. That's all done by what we call computers or processors or microprocessors

or data processors. It's all in that box there, mysterious there but that's what we're talking about.

Q What's the difference between a data processor and a microprocessor?

A I am not an expert in that. It appeared to me from listening to the testimony of Mr. Mikula that a data processor term covers a microprocessor. A microprocessor just seems to be a smaller, within the computer and chip technology, a chip where they do these marvelous things. They didn't invent this but the people who did invent these marvelous chips that he talked about all this stuff, vacuum tubes you'd need a room as big as this courtroom to do with -- I would say they're synonymous particularly [134] for this patent purpose as a patent expert.

Q Sir, is it your testimony here today that if this patent -- I guess -- Is it your testimony here today that this patent does not require the system to be able to keep track of individual articles of clothing?

A Well, again, that question has to be answered this way. It does keep on the tickets which are then attached -- which are to be attached and are attached to the batches, to the articles as called for in the claims, it does keep track. You can reconcile all the items on that and through the total, and through the invoice number the total and invoice number are back in the "Datamark", you can reconcile the whole works where, as they say themselves, whereby missing and extra you can find out where they are so you are in that sense if a person comes in and you do all those things and so forth, you are keeping -- you are reconciling with the invoice

number the articles and with the actual inventory of articles out on line so the claim, what the claim calls for is what I have gone over there in great detail and that's all present, that's the test of infringement. Are the elements of the claim or their equivalent present in the accused structure and we've shown how they are or I have tried to show how they are.

Q Any system that has a ticket, that is capable of [135] reconciling the inventory according to your testimony?

A No, I didn't say that any system. I said --

Q Well, sir --

A May I go ahead?

Q Yes. Go ahead.

A I'll let you go ahead.

Q I'll be happy to listen to your testimony -- explanation.

A My sole testimony is that the system that has been described here by Mr. Mikula, the system that's present in that table, the system that's set forth in Westview's documents from them in my opinion could for the reasons explained infringe Claim 1. Any other system -- you know, I haven't studied any other system -- could do all the work that's in this machine here far above --

Q I'm going to put on the easel Defendant's Exhibit 3-A. It's a blow-up of Claim 1. It's taken from the file wrapper.

Sir, you testified you reviewed the file wrapper for the originally filed patent, is that correct?

A That is correct, the file wrapper or prosecution history. They're generally synonymously referred to.

Q Do you recall this section from it?

A Mr. Griffin, with the Court's permission, may I come down and see if I can read it?

[136]Q Please do.

(Witness stepped down to the exhibit.)

A Okay.

Q Do you remember this, sir?

A Well, I remember it generally. I would appreciate being able to look directly at -- because that's a voluminous file -- anything associated with that.

Q I'll hand you what has been previously marked as Defendant's Exhibit 3 and ask you to tell the Court what that is.

A This appears to be and based on what I studied before seems to be a certified copy, that is, the Patent Office has run the copy and run the ribbon through and put the seal on. This is to certify a copy of the file wrapper and contents of the file identified above (Read) and this is a certified copy

from the Commissioner. It's a copy of that file of the original patent, appl cation patent.

Q And this is from the original patent application?

A Yes.

Q Do you recall the portions here that are underlined are language which was added to the patent after -- added to the language of the claim after the application was initially rejected?

A Mr. Griffin, if you will bear with me, I'll get that part of this.

[137]THE COURT: I hate to bother you, Counsel. While he's looking for it, where do I look for what you're referring to? Can you tell me is it No. 3 in your book here?

MR. GRIFFIN: 3 in the book here.

THE COURT: Would you mind showing me?

MR. GRIFFIN: Sure.

(Counsel did so.)

THE COURT: Thank you, sir. Sorry to bother you.

THE WITNESS: It is on --

THE COURT: Go ahead, sir. That's fine. Go ahead. Don't wait for me.

THE WITNESS: Well, I'll wait for Mr. Griffin.

(Pause)

THE COURT: Thank you.

A If this purports -- and I just want us to understand one another before we begin to -- if this purports to be a copy of one page and these are the actual pages that were filed --

Q It's a copy of the claim, sir.

A Yes. It is not a copy of the one page of this. It's a copy of two pages with part of the second page. There are more than that but this portion down here is a portion of claim -- the next page but this claim here is Page 2 [138] for the record so we know what -- we know what we're talking about is Page 2 of the amendment filed by counsel on behalf of that received in the United States Patent Office on March 8, 1985 in Group 230 and this is the upper portion of this exhibit here is Page 2 of that amendment and what is your question?

A Now, is the words which are underlined represent additions which were made to satisfy the objections of the patent examiner?

A The words that were added and underlined were made by the applicant in what was called a response and that doesn't necessarily mean to " satisfy" some objections. Common practice is the examiner examines and offers suggestions. The applicant comes back and makes whatever changes he deems necessary for whatever reasons so I would say they

are at this point, I would want to simply qualify them as changes made in this instance to Claim 1 by applicant's attorney and specifically the language which is underlined was added during this activity, during this response and the language which is in brackets was deleted from what was there originally --

Q Thank you, sir.

A -- as filed.

Q And wasn't that language added and that language deleted after the patent examiner rejected the original [139] patent application?

A In the earlier office actions to which this is a response, there were -- Let me get to specifically the language so again we don't misinterpret. Prior to that response -- that's a part of the response -- the examiner, in the Patent Office on August 23rd, 1984 examined Claims 1 to 14 and he rejected Claims 1 to 14 but he rejected them on a certain basis and the specific basis that he rejected them over was prior art which included a steward(ph) record. These changes were made to distinguish from the prior art or to make more clear or for whatever reason as explained.

If you wish, I can go into what the applicant's attorney explained here.

Q Sir, let's take a language which was added so that this application satisfied the applicant.

A Well, I'm not conceding to satisfy it. Changes were made.

Q Changes were made in response to a rejection of the application, is that not correct?

A That is correct.

Q All right. Now let's first take a look at the paragraph that starts with the dot matrix printer.

A Okay.

Q Now in the original application, it required only -- [140] it described only that at least part of the written record bearing a portion to be directly associated with said art, is that correct?

A Well, are you referring to the -- You said to the dot matrix printer. Your question was again the original claim what?

Q When it was first submitted --

A Right.

Q -- the claim only required the written record to be directly associated with said articles?

A Well, specifically here again, the claim as originally presented said "The written record" and it had the word -- it did not have " including" but it had "comprising a plurality of optically detectable bar codes having a series" -- I'm sorry -- "a series of contrasting space bands, the bar

codes being printed only" -- it didn't have "only" then -- "being printed in coincidence with each said transaction and at least part of the written record bearing a portion to be directly associated with said articles".

That was the way the claim read as originally put in.

Q And and [sic] it was changed to say, "part of the written record bearing a portion to be attached to said articles", didn't it?

[141]A Yes. The "directly associated with" was deleted and inserted was "attached to" -- the words "attached to said articles". Of course, the articles here plurality remain the same. It was originally "articles" and continued the articles up there like we have up there, a batch of articles.

Q If we go back and look at what was added to Claim 1 after the initial application was rejected, we see in the first paragraph they added an explanation of the transactions, said, "each of the transactions having articles associated therewith", is that correct?

A Well, no. First of all, again you're characterizing as an explanation. That is not what a claim does. A patent claim defines, and that's very, very important and it added the language, " each of the transactions having articles associated therewith, said information". It added that language and which is as underlined there so it did it, not descriptive language. It's a definition. You look to see does the accused device come under that just as I have done so this now becomes part of those metes and bounds. It's as simple as that. You're adjusting the metes and bounds of

what you own by way of this invention here and what is defined so that was simply set in there as you see in that first paragraph.

Q And entire language which appears on the bottom of [142] the page and three quarters of this one, "at least one optical scanner connected to the data processor and operable to detect said bar codes on all articles passing a predetermined station", is that correct?

A As I view it here, this paragraph here, the last -- This -- Wait a minute. All right. This was added. If I'm -- Let me just see what page is added correctly because we're dealing with two pages here, one added over the other. What you read was added. At least one, "said bar codes on all articles passing to a station", that was added.

Also what was added and presumably you want to bring this in although this was on the second page, this too is simply the page number. It doesn't mean anything except it was carried over to the second page but that's part of the Claim 1 that I read here so this whereby clause which we added the functional language was also added in that amendment which was in response to the examiner's rejection.

Q Sir, will you please take the stand again?

A Sure.

(Witness resumed the stand).

Q Sir, who drafts the abstract that is printed with the patent?

A The applicant or his attorney. Generally it's his [143] attorney that does the work.

Q So that person should understand what the patent covers, correct?

A Does that person understand what the patent covers? Well, yes, he's presumed based on information given to him.

Q Does this not refer -- I'm talking about the abstract on the first page of the patent which is the first thing that appears on the patent after the U. S. Patent documents and other publications, the first written prose paragraph is the abstract, is that correct?

A This is on Plaintiff's Exhibit 1 that you're referring to on the first coversheet which is sort of a summary sheet of what happened?

Q That's correct.

A And your question?

Q Does that explain in the abstract what the invention is?

A No.

Q What does it do?

A The abstract has been something that has been added in recent years. The purpose of the abstract is to permit a

classification in a general way or a general understanding of where the direction of the patent is, however, in the law or in the regulations I should say in [144] patent practice, I don't have it at my fingertips, but there's a specific reference to an abstract shall not be determinative in setting forth the scope of the patent so I'm willing to go through the abstract with you but --

Q We understand --

A The purpose of the abstract is not to interpret the invention or the claims.

Q The abstract gives you an idea, doesn't it, sir, of what the drafter thought of the claim?

A No.

Q All right. Then we'll skip the abstract. Does the specification, "which includes the drawing" explain -- You told the jury when you were referring earlier to the question of whether articles had to be attached -- I assume the records had to be attached to the articles of clothing. You referred back to the specifications and you said when you're not sure -- and this is paraphrasing you -- when you're not sure of what this means, you go back and take a look at the specifications, and actually when you interpret the patent, it's proper to look at the specifications and the drawings and the prosecution history, is that fair?

A Well, first of all, you mischaracterize some of my testimony. I was never in doubt from the claim itself [145] without going back that the reference to arts and specifically

-- and I'm not in doubt either that specifically the claim covers, "at least part of the written record bearing a portion to be attached to said articles". Articles is plural so without going back ambiguity or anything else, there's no ambiguity there. That refers to articles and we see them right here so they are attached to articles, however, I did say that where there might be any ambiguity, you can go back. There's no ambiguity here but if you go back, they're talking about batches perhaps in four or five places. I mentioned one but we can refer to the specification, to the drawings to further or whatever reason look to see perhaps there is something there but again the specification and the drawings are not determinative of the claims. The claims define the invention. The patent law requires you to give the best mode means, the best way you think but you could not conceivably give every detailed way that your invention could be infringed in a description.

Going to the claim language, it is totally improper to take one sentence out of context or something where it's the best mode, the preferred embodiment using both the same to say: Well, that's the way the invention has to work. You have to go back to the claim.

Q If we try to come up with a definition of the term [146] "inventory" and we go back and we look at the patent and we go through it and we see references to tags attached to articles of clothing, articles to be cleaned, laundry articles and/or batches thereof, given articles, inventory articles, identification of the articles, input of items, given articles, location of specific articles, doesn't it become clear that inventory refers to the articles of clothing?

MR. MALLIN: I object, Your Honor. He didn't direct to the witness where these quotations come from.

THE COURT: Overruled.

A Well, we look again to the claim to see what the language of the claim is. As far as articles of clothing, I've explained and will explain again the specific articles of clothing are a part of the written record. We can go to the ticket which is attached to the batches to this right in here and I can go and see -- I mean let me specifically take the ticket that is written out. It has the inventory with the inventory total in cash. There is on there an invoice number. Next to that invoice number, and the jury --

May I go down to point that out?

(Witness stepped down to the jury.)

(Continuing) Here is an inventory total as we refer to in the claim. It's $188.87. In there are the [147] invoice number listings 314, 315, 316 with a separate 356 on each one, 275, 350 so there is a corresponding cash amount for each one of these invoice numbers.

Now with the invention -- I'm sorry. You were tied up there.

With the invention, you go and you scan the bar codes. That's the invention. You scan the bar codes and so forth, the bar codes that are printed at the time, and you find out what's extra, what's missing so you now can in here find the extra invoices, find the extra ones and missing invoices. You

would also reconcile by going out and looking to the invoice numbers, for instance, 322, you can look to see Invoice 322, the ticket here. See it says 322. This one doesn't but an example you can see the total here for 322. 322 it should be 350 so you'd see is there a 350 right here.

* * *

Trial Testimony of September 26, 1991 -- Volume II

[1] (Commencing at 9:30 a.m. there was an on the record side bar discussion after which the following proceedings were held in open court with the witness Chovanes resuming the stand.)

MR. GRIFFIN: May I, Your Honor?

THE COURT: Of course.

CROSS EXAMINATION (Cont'd)

BY MR. GRIFFIN:

Q Mr. Chovanes, yesterday you told us each and every element of a patent at suit has to be in the accused device in order to be --

A The element or its --

Q You gave us the opinion that the "Datamark" infringed the patent at suit. To get to that opinion you had to read and interpret the claims, didn't you?

A I had to read the claims on the accused structure, accused system.

Q And in doing that, you had to give some meaning to the words and phrases used in the claim, correct?

A That is correct.

Q Let's take a quick look at those but before we do and to make it easy for you and the jury, perhaps I can put this right up here for you. For the record what I have referred to as "this" is Plaintiff's Exhibit 1-A which had been marked up yesterday by Mr. Chovanes.

[2] In the first paragraph of that Independent Claim No. 1 it defines for us what said information means, doesn't it, sir?

A Said information, the answer is yes.

Q Said information including transaction identity and descriptions of each of said articles associated with the transactions, correct?

A Correct.

Q Now, let's turn to some of the words and phrases you had to look at yesterday and if you look at Claim 1 and if you can refer to that or if you're more comfortable just referring to the patent, I'll give you the line numbers, Lines 56 and 57 which is the paragraph which you've marked as " B" up there.

A Okay.

Q It talks about memory operable to record said information, said information meaning the information including transaction identity and descriptions of each of said articles associated with the transactions. For the "Datamark" to infringe, doesn'to [sic] that have to mean capable of temporarily keeping the information until the ticket is printed?

A Including memory operable to record said information. Your question is in order for that to read on the accused system, the accused system must keep it in [3] there for a period of time short or long?

Q Okay.

A The answer is yes.

Q Now you will agree with me, won't you, that once the "Datamark" ticket is printed, the "Datamark" no longer has any description of articles of clothing recorded in memory, won't you?

A It's my understanding that the -- from Mr. Mikula's explanation and my reading of the operating manuals and the other material that the article descriptions are still in there. Now as to what you can retrieve, that's something else.

Q And the article descriptions once the ticket is printed is no longer there?

A My understanding is they are there. There is something like a production report which can retrieve those article descriptions. Now, that is not the inventory total but the end

of the day after printing all of the tickets, you can still retrieve from the "Datamark" a listing of how many sweaters just in total groups went in and how many total suits so the article description is in there but not with respect to this security aspect.

Q It doesn't tie to the individual transaction?

A That is correct.

Q So --

[4]A The article description, once the ticket is entered, when they say printed because it's being printed successively but the -- I mean the final entry, when you say "Enter", then for purposes of article description tying in the "Datamark" to the transaction, it is not in there.

Q That's right so to put it another way, once a ticket has been printed, the "Datamark" can no longer tell you what that order is comprised of?

A That is correct. That transaction is comprised of with respect to the indicia, the invoice number.

Q Now, sir, would you --

A It is on the ticket at that point and you can go out and look at it on the ticket and on the articles as you can see.

Q We'll get to the ticket in a minute, sir.

If you'll take a look at the patent, Column 6, Line 24 --

A I have it.

Q -- it's talking about the information and it says, " This information is manually entered on a data input device specially adapted for drycleaning operations and is stored in the system memory."

Doesn't that suggest to you that it's kept information a little bit longer than just the short time [5] it takes to print it out?

A On, no, I won't agree with that.

Q All right. Let's take a look.

A May I explain why?

Q No. You can explain when you're asked that, sir.

A Okay.

Q Please take a look at Lines 31 to 35. It says, "The processor is programmed to associate sequential customers and/or transactions with the unique indicia, generally a number, whereby the customer and/or transaction number can later be used to call up information associated with it".

Doesn't it suggest that it has to stay in the system so it can be recalled later?

A No. One, this is the preferred embodiment one way of doing it but the very fact -- statement, "whereby the customer and/or transaction number can later be used" -- and

you can use it in the "Datamark" -- "to call up information associated with it", meaning the transaction number, the customer number. That is the very heart in many ways the security involved. You can call up by using that customer number, you can call up -- the customer number or the invoice number, information --

Q What information can you call up from the "Datamark" using that number?

A I was just going to say that when you interrupted me [6] but I'll be delighted to continue.

The information that is called up is the sequential transactions by invoice number and the total dollars associated with each of those invoice transactions and then the total of all the invoice numbers which represent these transactions as to what is in inventory. That was the -- That is on that ticket on one of the displays over there.

Q Please get to the ticket. Let me digress for a second.

Do you agree or disagree with the following statement and just please answer yes or no: "In interpreting a claim of a patent, one may properly look to the prosecution history of the patent and to other --

A I didn't quite catch -- Did you say one may?

Q One may look to the prosecution history of the patent and to the other claims in the patent.

A As a general statement with respect to patent practice, that's a valid statement.

Q The way the patented system works, the unique indicia, the individual number is what is used to call up information about that order, is that correct?

A Well, when you say the patented system, we must go to the claim. What does the claim define?

Q Would you answer that please, sir, yes or no and if [7] you say no, we'll go on to something else and then if you say yes, we have finished the question?

A It can't be answered yes or no because you're characterizing the patent system and I'm just saying you're not characterizing the patent system correctly. The patent system is characterized as what is defined by the claim.

Q Yesterday we talked about your interpretation of the word inventory as used in claim No. 1. Now I'd like to direct your attention to the patent Column 9, Lines 50 to 61.

A I have that, Mr. Griffin.

Q And that says, " In this respect each unique number or code or other indicia associated with an article or that transaction remains alive until all of the articles is completed and delivered to the customer together. Therefore, the inventory can be reconciled at any point in the sequence. Upon sorting or unsorting the batches, for example, at sorting stations, optical scanning inputs data to reconcile the inventory with the expected inventory. Any loss of articles

or errors in entering data can be immediately reported before the physical association of given articles to a given customer is lost."

Does that suggest to you that using the -- using inventory it means to include the articles of clothing?

[8]A Again, this is one preferred embodiment. It doesn't suggest that by the only way --

Q Sir, let's look at Column 7, Lines 35 to 41.

A I wasn't completed with my answer. May I complete the answer?

Q Please complete the other answer.

A The suggestion there in that one example and that's really only what is being given when you say preferred embodiment or best mode, that's an example. It indicates in that best described mode, which is not the invention designed by the claim, you go to the claim for that, but it would suggest there that an inventory cash total would be adequate or would be within the scope.

Now I'm sorry, you went to another --

Q Why don't we then take a look at Column 7, Lines 35 through 41?

A Column 7 --

Q Lines 35 through 41.

Do you have that, sir?

A I do.

Q And it says, " Unlike the conventional laundry operating system in which pre-printed alpha numeric character labels (i.e., using Arabic numerals and letters) are attached to articles or containers for articles in inventory, according to the invention custom-[9]printed bar code labels are used".

Doesn't that suggest to you that inventory includes the articles of clothing?

A No. In the term that the inventory is used there and that specific -- what you read emphasizes that where printing the ticket, the ticket is being printed at the time of the transaction and it goes on to then say, " These tickets are attached to articles" -- just as we see it there -- "for articles in inventory".

Well, those articles are in inventory. The inventory is what the inventory control system as "Datamark" and "Datascan" and as defined by the Claim 1 is directed to the cash total inventory which as I stated yesterday, that ties in with what the articles are there. You can start with the cash, check out the articles by going to where the tickets are attached to the batches there and see that the articles are there but I think that statement is consistent with the invention.

Q Well, then, let's take a look at Column 8, Lines 21 to 23 where it says, "The garment tags and customer ticket

associate a unique indicia with transactions, persons and physical items in inventory."

Doesn't that suggest to you that the way this system considers inventory it considers the articles in inventory?

[10]A Well, again, it's the preferred embodiment but I think that very statement supports the reading of Claim 1 --

Q All right.

A -- which covers the accused system. If you read that particular statement that you read, the garment tags and customer ticket, now we have the customer ticket -- associated unique indicia -- that is the invoice number and bar code which is the same as the invoice number with transactions, the transaction being that group of items that are brought in -- persons and physical items in inventory.

Q That's right.

A Well, the customer ticket has on there the invoice number. It has the customer, the person is the customer, tag number that identifies the person and physical items in inventory. The physical items in inventory you just look there, see what's on that ticket: One brown suit, one blue coat, you look in the package that is right there, the thing you -- and and [sic] you see whether it's there so I think that statement although again, it's a preferred embodiment or a description and not controlling on the definition of the reading of Claim 1, I think that is right on point with what the accused system is doing, the "Datamark" and "Datascan" system.

[11]Q So you think the ticket, not the system is the important thing for tying it all together and giving you the description of the individual articles?

A On, no, I didn't say that. I didn't say that ticket is important. I'm continuing. You asked a question. The entire claim defines the invention. The claim does include a written record which is a ticket. If we didn't have any ticket here, if there was no ticket, I wouldn't be sitting here. I would say no infringement. How could I say that? So as an independent person here, consultant, I have to look at this whole thing in the way I'm looking at it and be totally objective and the written ticket is part of this system. It's called for in the claim so it's got to be present but it's one element in a claim.

Q Sir, let's go back to the claim and Claim 1 and in the patent, Lines 59 to 61, that's your Paragraph " B" still. That's the unique indicia.

Looking at this, doesn't that require a data processor having the means to generate at least one report of said total and transactions" [sic] plural, then going on, and I'm paraphrasing now, in which the descriptions of the articles are reconcilable against the unique sequential indicia or in this case invoice number?

A And, Mr. Griffin, what's the question?

Q The question is isn't that what that requires?

[12]A What the unique and -- and I'm taking --

Q Let's break it down if you're having trouble. You have to have a data processor --

A I can answer that question. I'm not having trouble. I just want to make myself clear to everyone.

Q Since it's got a couple parts, let's take it piece by piece. The data processor has to have the means to generate at least one report of said total and said transactions and transactions is plural, correct?

A Is your question in this statement "means to maintain an inventory" --

Q No, sir. The question, sir, is it says a data processor having means to associate -- taking the means to associate -- and to generate at least one report of said total and said transactions, the data processor has to be able to prepare, have the means to generate at least one report of said total -- total referring back to earlier -- and said transactions, transactions referring back to earlier in the claim, correct?

A Well, your earlier question that you didn't allow me to answer was transactions plural in there. I just wanted to make clear as to where you're talking. I'll answer that question.

Q Right at the end of your bracket thre, [sic] sir.

A I know where you're referring. The word here is [13]transactions so as to the question is that transactions plural, the answer is yes that word is plural. As to the second question you asked me, you asked me whether the

claim requires that at least one report of said total and transactions as required here. The answer is yes and the accused system does it and I was pointing out right on the ticket there that it gives the report of what is called for there.

Q Well, let's take a look at that then for a second.

A I'm trying to answer the question and if you interrupt when I haven't completed it, fine.

Q Go ahead and complete it.

A So it does generate a report, at least one report of said total and said transactions.

Q Sir, is your testimony that the report, the one report is the ticket?

A No.

Q All right. How does --

A It hasn't been --

Q Then tell me how the one report of said total and said transactions have the unique sequential indicia and description of the articles in the sequential transactions being reconcilable against one another?

A May I go to the ticket over there?

Q Please.

[14] (Witness stepped down to the exhibit.)

I'm sorry. I wanted to get the claim language.

Q Here's the claim language. I thought you wanted to look at the ticket.

A And both. I'm sorry.

As to what I understand, Mr. Griffin, your question is this. We have -- In reading the claim on the accused device, the claim states, "A data processor including memory operable to record".

Now we already reported out in memory.

Q Mr. Chovanes, I'm not asking you to go over everything you went over yesterday. The one or two points we're talking about now is in response to my question that it does generate at least one report of the total and said transactions, plural, and it continues there. It says unique sequential indicia, which are the invoice numbers and the description of the articles and the sequential articles -- that's the articles each time somebody brings something in -- has to be reconcilable against one another. I want to see the report that does it.

A I was simply trying to answer one of your questions that you asked about three questions ago and interrupted. You said is the --

Q Would you answer the question?

A -- is the printed report the ticket? I'm trying to [15] distinguish so that we don't get confused there is in answer to your question -- I'm honestly trying to answer your question. You asked me whether it's the ticket that is that generates at least one report. My answer was no. I'm simply trying now to explain why it isn't the ticket and what is that written report. I want to make clear, because this is important, that when we talk about a ticket, we're talking about this that is attached to the garment, to be attached to the garment, to be attached to the batch here. When we're talking about a written report, we're talking about this written report that comes out of the "Datascan" and that written report that comes out of the"Datascan" which Mr. Mikula showed how that comes out and out of the other, that written report -- out of the "Datamark" II, that is, a said data processor having means to generate at least one report of said total and said transactions and the said transactions are which are identified here. Here's what we're talking about on that report. Here's that from the accused system. Here are the transactions.

Q Sir --

A I'm not through with this, Mr. Griffin. I want to explain this. You asked.

Here are the transactions 1-4, 1-5, 1-6. Here are the total for that transaction in dollars. Here is [16] the inventory total. This inventory total is this word " said" total here. "At least one report of said total" and the total is associated sequential transactions to generate at least one report of said total. That's the said total and said transactions, here are the said transactions.

Q Doesn't it continue, sir, "the unique sequential indicia and the descriptions of articles in the sequential transactions being reconcilable one against the other"? Would you point to me, sir, where on that report does it have any descriptions of articles?

A This is not tied in with that report by a requirement of that. You see there's a comma. Now this is another limitation. "... unique sequential indicia and the descriptions of articles in the sequential transactions being reconcilable against one another". Here where they are on the ticket they're reconcilable. That limitation is not put back in with the said means to generate that. That limitation which you're referring to the unique sequential indicia, this is the invoice number as well as the bar code, "and the description of articles in a sequential transaction being reconcilable against one another", that's referring here in terms of defining the invention that reads on what is done here.

Q You're saying, sir --

[17]A You go out and you look at the ticket, you look at the items on the ticket, you see if they're present there and you see the transaction, you have the number of the transaction there.

Q Wouldn't that be true in a manual system?

A I don't know what you mean by a manual --

Q If somebody wrote out a ticket and you put a ticket number on it and wrote out what all the items are, that's

how they would reconcile what's there and it's a unique sequential indicia but you're only looking at one transaction there, aren't you, sir? You're not looking at all of them.

A You have a lot of questions in there and I'm not clear which one you're asking. If you'll ask me one question and I'll --

Q Let's go back to the patent then. How many transactions are reflected on that ticket?

A Now by that ticket are you referring --

Q The one that you're pointing to on the exhibit where you have your pointer.

A That's Plaintiff's Exhibit 8-A.

Q Yes, sir.

A There is a ticket which is rather large with a person scanning the bar code on that ticket so I'll refer to that and your question is how many transactions does that [18] ticket represent?

Q Yes.

A And the answer is one.

Q How does just that ticket reconcile the unique sequential indicia and descriptions of the articles in the sequential transactions against one another?

A Well, you have to go if you want to say more than one transaction on one very clearly that is shown here on Plaintiff's Exhibit 8-A where you have two batches. You'll have one ticket which is that transaction, the blue on this blow-up so you reconcile that transaction with that ticket. You go to the next ticket and you reconcile that description. You have the invoiice [sic] number in there with the read.

Q Sir, is that anything other than the physical --

A You reconcile the transactions by going to each ticket on line.

Q Is that anything other than taking a physical inventory?

A Well, what do you mean by physical inventory?

Q If you say you have to look at each ticket and count each little item because you're doing it manually, isn't that a physical inventory?

A Well, I don't know what you mean by physical inventory. As part of the system, as part of the system, [19] that's part of the entire patent that is involved in Claim 1 so that's what you do within it. Now if you say is everything in here totally never heard before, well, I don't think there's a patent in the whole world that doesn't have elements --

Q That wasn't my question, sir.

A Well, if you're saying physical inventory does that involve a human being looking and counting, I don't think this invention purports to limit a human being's activity.

Q Sir, isn't this whole section that you are talking to us about deals [sic] with the data processor and what its memory is capable of doing?

A Well, you can't generalize, Mr. Griffin, like that. You have to go through a claim and that's patent practice. You don't come up with a sweeping statement. I have labored, and you have to do that, to identify each item but that's the nature of items. You must go through each item and you can't generalize just as if on a land deed you can't roughly say 500 feet and 6 inches. You've got to laboriously pace it off so I really have to go through it the way I am. I've been doing that for 34 years.

(Witness resumed the stand.)

Q I'd like you to take a look at the patent and here to give us a help if you would look, sir, at the first claim still and now it's Column 10 and it's the Line 67 through [20] the top of the next page, Column 11, doesn't that say, "The written record including optically detectable bar codes", codes plural?

A The word codes is plural, yes.

Q Would you show me where there are bar codes in plural on the "Datamark" system?

(Witness stepped down to the exhibit.)

A Right here. (Indicating).

Q That's a single bar code, is it not?

A No.

Q It's not a single bar code?

A May I answer that? This is referred to as bar codes. It also can be referred to as a bar code so really you're talking as to two descriptions. The patent says bar codes. That's really grasping here, Mr. Griffin, when you say -- Bar codes is totally referred to as -- It's a bar -- I'll explain why and I'm not an expert but based on what Mr. Mikula has said, you see --

Q If you're not an expert, sir, and you can't explain, I don't think you ought to because it's not proper testimony.

A I listened to Mr. Mikula very carefully. He's a tremendous expert.

Q Then we all did.

A Let me explain why it's a bar code, it can be [21] determined a bar code. These series of whole things here represent this number up in here. It's the same thing so you look and find five spacings make one number so you could say five spacings, a thin, thin, thin, thin, fat. That represents one number. That would be one traditionally. Fat, thin, thin, thin, and a little bit more space thin, thin, that represents another. Fat, fat. It's like the semifore(ph), you used to do that, so now when it runs there, it reads up in there it reads it boom, boom, boom just in the wink of an eye so it's reading zero, zero, one, eight so it's a code in the sense that each grouping of five represents one code for a number one then the next grouping of five represents code for number

two then the next grouping for three so there are codes for individual numbers but if you want to call the whole thing a bar code, now it's called codes or code so this is a -- These are bar codes.

Q Sir, would you take a look at Figure 2 in the reissue patent? I'm putting this up on the stand. It's a blow-up. It's Exhibit 4-A. It's a blow-up of Figure 1 and Figure 2 in the reissue patent.

A Yes.

Q Figure 2 is a depiction of a ticket, is it not?

A Yes.

Q And it has multiple bar codes on it, does it not?

[22]A It has bar codes plural, bar codes.

Q And there are as I see one, two, three, four [sic] five, different lines of code?

A That is true. This would be bar codes one, bar codes and then it's my understanding this is repeated here.

Q That is a written record including optically detected bar codes, plural, correct?

A This has -- That's bar codes up in here and this is bar codes. This, incidentally, so we're clear, this is one embodiment of the invention. That is one in which you would take a ticket and you would split these up. These are

intended to be separated, these bar codes down in here and then you would attach them to individual articles or individual batches or something in here but you must remember again this is one embodiment. It's covered by a separate claim. We talked about that. We're not claiming, that is, the plaintiff is not claiming that this is infringed so this is merely illustrative of one way the invention can be used but again, the specification sets forth the best mode how one way the invention can be made -- can be used but the claim defines how all these things can be used. This is one embodiment and this is not -- this kind of ticket that's split up is just one possibility that you can use and it's not being the claim that's being infringed here.

[23]Q Sir, you just said best mode and you referred to best mode yesterday. Does that mean generally that in disclosing the invention to the Patent Office and disclosing it in the patent the individual has to set out the information necessary to let someone who would be skilled in the art reproduce it so that after 17 years when the patent expires somebody could look at it and take that patent and build the thing which is described?

A Yes.

Q And --

A And even before that on a standard so they can make additions to it or noninfringing or something but the answer is yes to your question.

Q If you would look, sir, at Claim 1, Line 11, Column 11 on yours, Column 11, Lines 4 and 5 --

A I have it, Mr. Griffin.

Q -- that's where it says, "bearing a portion to be attached to said articles", correct?

A I see that.

Q When the claim was rejected, that said, "directly associated with", did it not?

A Well, again I want to make perfectly certain that we are discussing correctly. Could you let me have it?

(Exhibit was placed in front of the witness.)

A This is what we were discussing yesterday as being a [24] copy of one sheet.

Q So the record is clear, that's Defendant's Exhibit 3- A?

A But I would also appreciate having the certified copy of the file history from which this was taken.

Q I'm handing you, sir, Defendant's Exhibit 3 from which Defendant's Exhibit 3-A was taken.

A Thank you.

(Exhibit was handed to the witness.)

Q I have a very simple question.

A All right. Let me just get this here if you'll bear with me.

A Okay. I have the corresponding page here. Yes, Mr. Griffin.

Q Where in the "Datamark" system is the written record or a portion of it attached to the articles of clothing?

A Well, we will go to the specific language here. "At least part of the written record" -- that's what's required here -- "At least part of the written record bearing a portion to be attached to said articles" -- That's what you're asking me. If we look to here, this is at least part of the written record is the written record at least part of it is attached to said articles.

Q Well, sir, isn't that attached to the plastic bag?

A Here are the articles the batch I was pointing out. [25] Here are the articles. They're enveloped by this plastic bag. They're grouped together and the ticket, the written record is attached to these articles.

Q That's attached to the plastic bag there, isn't it, sir?

A It is stapled or otherwise pinned or something to the plastic bag.

Q Have you ever picked up your suit from the drycleaners and seen one of these tags that are actually attached to the suit?

A Yes. I might be wearing one with one on now.

Q So that a tag attached to as opposed to associated with, correct?

A Not as opposed to, no.

Q All right.

A I mean attached -- To me I have absolutely no question that the tag is attached to the articles.

Q All right.

A When you envelope it with -- I mean you could say well, the ticket is right on that bag and that bag -- As a matter of fact, I find a lot of things more difficult -- I find it difficult to get those batches of clothes from the bag and ripping and pulling and doing all of that so I think they're attached pretty well.

Q All right. Now, sir. Let's take a look at [26] Claim 1, Column 11, Line 6 and it says, "at least one optical scanner connected to the data processor".

Do you see that, sir?

A I do. That's this right here what I've designated as " D". One optical scanner --

Q Do you know what an optical scanner is?

A Based on what I have learned here and in the case and so forth, it's that scanner there.

Q The optical scanner is just this part, isn't it, sir, and I'm holding up the wand?

A The wand?

Q That's correct.

A I'm no expert there but I would say that's an optical scanner, yes.

Q The wand is the optical scanner?

A I would qualify that further. If we simply chopped the wand off, that is, chopped it off the cord here and so forth, I don't think you'd have much of an optical scanner. An optical scanner has to go into something.

Q That's what we're talking about.

A All right. Your question to me, just so we understand one another, is the actual pencil or whatever it is there with the little eye, is that an optical scanner? My answer is yes.

Q Where on the "Datamark" system is the optical scanner [27] connected to the data processor, "Datamark"?

A Well, two things: No. 1 --

Q Could you just tell us where?

A I will answer you in the best way I can and that is that when the system was demonstrated by Mr. Mikula in the manuals, in the descriptions, you take and you connect the

"Datascan" er [sic] which is designated as the datascanner to the "Datamark" so, you know, the ankle bone is connected to the thigh bone and the thigh bone is connected to the knee bone. You've got the scanner into the processor.

Q This whole thing is a bar code reader, is it not?

A Well --

Q The whole thing I'm referring to is the datascanner unit. It's a bar code reader because it has an optical scanner attached to it and it has internal processing chips to enable it to read what the optical scanner scans.

All I'm trying to find out is where is an optical scanner in this system, the "Datamark" system which you say infringes, where is an optical scanner attached to the processor, the "Datamark" itself?

A Again, you have many questions in there. I'll take one at a time and I'll answer them all as to the best of my ability.

Your first question as I understood it, you held up the box that is attached to the optical scanner and you [28] said: This is a reader. Well, whatever Westview wants to call that, okay. I don't care what they call it. If you're calling it a reader, okay. However, it is simply this. Whatever is in this box, and I'll refer to this right in here this box here, it's connected to that "Datascan" box. As Mr. Mikula has testified, there's a processor in there. As a matter of fact, you could take that, maybe you can print out from that. However, a critical part of the system, of the accused system -- it won't work otherwise -- is you've got to have an

umbilical cord there and it has to be tied in from the "Datamark" into the scanner here. You have to unload those and you do it here -- In your descriptions, you unload into this so I said there are 2 reasons: No. 1, you are connected. It happens to be -- if I may walk over here -- that it is not connected at this point. The reason you break the connection is so you can go and walk around and make a portable thing plus the fact you can serve more than one "Datamark", however, certainly it's connected through to the processor to in fact both processors. You have a data processor in the datascanner and you have a data processor in the "Datamark".

It's basic patent law if you can avoid a patent by breaking something down into two instead of one, patents would be laughing matters.

[29]Q I believe, sir --

A If the claim were going from Market Street to City Hall --

Q Mr. Chovanes, the Judge will tell the Jury what law is applicable here I'm quite sure.

Does Figure 1 in the patent show a -- I'll hold up Defendant's Exhibit 4-A for the jury. Does Figure 1 show an optical scanner attached directly to the data processor?

A In the best mode which is shown here which was required but only an example of what is called --

I can point to the jury on that, sir, before you remove it. I think -- The answer would be yes. We happen to have two on Figure 1. This is apparently a busy place. They're showing two on here. But there's a "Datamark" here -- I'm sorry. It's illustrative of the thing. Here you do have a computer, the input the data processor, the input so Mr. Griffin's question was is the scanner directly connected and the answer is yes it is tied in there but that's one embodiment, the best embodiment. To take the invention and simply say we're going to unplug the scanner and later do it -- later plug it, you can't do that.

Q The datascanner you told us is portable, right?

A That is correct.

[30]Q And it can be moved any place around in the dry-cleaning establishment?

A Or to another drycleaning establishment.

Q Where is it connected to the data processor and operable to detect bar codes on all articles passing a predetermined station?

A All right. The reference there as I understand it is to "D". "At least one optical scanner" -- we've determined that --"connected to the data processor". You have my basis there of why I say that's the case because we've been discussing it -- "and operable to detect said bar codes on all articles passing a predetermined station."

Well, again I can go right here to this blowup, Plaintiffs [sic] Exhibit 8-A, and the the [sic] optical scanner is optical to detect -- operable to detect bar codes on all articles passing a predetermined station. Here's a predetermined station. It simply means one place. A predetermined station can be right here with the articles passing or they can be in a group and you walk down the articles. As to whether the person is moving, again you can't invade patents by saying: Well, we're not putting the articles past the station, but the person is moving down the line. We're keeping the articles steady. We're keeping the articles stationary so again you just can't do that.

[31]Q Sir, let's take a look then at what this patented system says, not what you'd like it to say but what it says and it says, "at least one optical scanner connected to the data processor and operable to detect said bar codes on all articles passing a predetermined station, whereby said system can detect and localize spurious additions to inventory as well as spurious delections [sic] therefrom" and if you don't have a fixed point and you're not always monitoring at the same point, how are you going to detect and localize spurious additions to inventory as well as spurious deletions therefrom?

A Very simply and it's shown right here.

Let's take 10 packages, 10 bundles. 10 of these batches are hanging on the line and whether it's 10,000 or 10, the same principle would hold but you have 10 of them hanging on the line now. You have the "Datamark" is sitting over there. The operator, the person here just as shown in Plaintiff's [sic] Exhibit 8, now takes and goes down and

scans every bar code, the bar codes on each ticket on those 10 batches that are hanging there. Now that is then read into the processor. A ticket is printed out as shown here on the reverse of -- not a ticket, I'm sorry, a report -- Plaintiffs's 8, Exhibit 8-B and Mr. Mikula showed how that printer is there, is put on to the "Datascan", then there is printed out the -- as shown [32] here listed invoices, extra invoices, missing invoices, total of them missing. So it now as pointed out again in "Datascan", Exhibit 8-B here and after a physical inventory is taken by simply wanding, wanding in quotes, the bar codes in each invoice hanging on a line just as is done here. "Datascan" will find all 'extra' invoices and 'missing' invoices, compute the inventory cash total and provide a printed record" [sic] which is here so that's precisely how the accused system, how we can read this limitation on the accused system.

Q How does that tell you that somebody took a sweater out of -- a green sweater out of Mrs. Jones' order?

A Well, what you do if someone -- you want to check whether Mrs. Jones' order, green sweater has been taken out, you then go to the claim. What does the claim call for? We went over that.

* * *

BY MR. GRIFFIN:

Q Mr. Chovanes, with the "Datamark" system, if the ticket is lost, is there any way of telling what articles make up that order?

A You'd probably have a complaining customer. They'd tell you what's in it but I think trying to answer it as I understand it, I haven't thought of that but I would say no that it is -- If the ticket is lost, what articles are missing, I would say no way other than relying on the customer.

Q Under the system claimed in the patented suit, it would be possible, would it not, to reconstruct that information?

A Well, again, we're back to the claim. The claim covers what the accused is doing so under -- The claimed invention in, for instance, the preferred embodiment where you might have as in Claim 5, that I said was a dependentt [sic] claim, there you're attaching the written record or part of the written record like in, for instance, Figure 1 that I showed there where you're attaching a tag directly to that garment, the individual garment and the individual garment continues to be listed in the data processor. In that embodiment, you could find the individual patent. The claim also covers the present version. The claim does not require anything beyond what is stated as we have [34] put it forth so the answer to your thing is the claim covers the accused structure as it operates.

Q That's right because part of the things that in going back to this claim would do, this system would do with the -- what the "Datamark" system doesn't do is, "the unique sequential indicia and the descriptions of articles in the sequential transactions being reconcilable against one another" and you can get a report of that, is that correct?

A First of all, this system -- You opened up your question with "this system". What system are you talking about?

Q Let's talk about the system claimed in the patent and in Claim 1.

A The claim -- The invention covered by Claim 1, all right. Now what is the question with respect to that?

Q That invention if the written record of the transaction was lost would still be able because it can generate a report.

A No, no, no because the claim covers all these versions.

Q Let me --

A You're taking -- You're constantly missing the point that when you're required by the best mode and the reason you're required by the best mode the law doesn't -- and [35] you may change later on. You may say: Well, I had three versions the best mode now wasn't the best mode because we can't see in the future totally but the best mode means that they don't want the inventor coming in and -- Because you must remember what the -- why you're getting a patent. You're getting a patent because you're disclosing an invention. Then you get a definition with the claim but they don't want an inventor coming in and telling what may be just a version that's not very good but he's keeping the good version as he thinks in this end under wraps so he's got to put forth what he believes the best mode is.

Mr. Markman through his attorney set forth one version. Now you cannot read that version as you're constantly doing as to the claimed invention. The claim sets forth the invention. That includes whether or not as we're doing in this instance, the missing ticket that you're referring to, then

you don't know what article is missing there but you look to the claim. The claim says the ticket is printed up reconcilable. They are reconcilable.

Q Sir, isn't one of the stated functions of this patented system the tracking of articles through the drycleaning process?

A It's an example of a function again set forth -- Are [36] you referring to the specification, some specific place?

Q I was going to direct your attention, sir, to Column 2, specifically Line 50 through Line 57 where it says, "Article identification, customer identification and descriptions needed for generation of cost and pricing reports are entered and the articles to be cleaned are associated with a unique bar code indicia for later automatic or semiautomatic optical scanning and data input", and then the important language, "whereby the progress of articles through the laundry and drycleaning system can be completely monitored".

A First of all, it does state that. You're reading correctly but again that is background of the invention. It's giving some -- what the inventor feels is what some of the things the system can do and it can do those things but those are not the claims that require that. The accused structure is by its very own admission doing certain things. One of them is locating missing and extra invoices. The claim comes right within the claimed structure, Claim 1, so as to the specification again, yes, they stated some of these things but that again under patent practice if you read all the description back in the specification of the best mode and now are attempting to read all that as being necessary in the

claimed invention or accused device, it's just not correct. It's
[37] just not patent -- the way patents are done and on top of it, it would render every patent worthless because you could pick out one statement and then by hindsight say: Aha, you said we're doing this; we're not doing that. You said it should be a red data processor; ours is blue and that's really what some of the arguments here on something like that come down to.

Q Sir, especially when a claim is unclear or can be read in a number of different ways, isn't it important to go back and look at what the inventor says in the background of the invention and look at the specifications for guidance to see what it means? Is that a yes or no?

A Well, as a broad statement, it goes back to what you said first. You do look at the specification, you do look to the drawings if there are these ambiguities. There are no ambiguities here. You read it in view of what was stated but you look to the claim language over and over. This is patent practice. You look to the claim language. Again it's simply like you -- I can say to you: Look, boy, our property out there is great; it's got trees. May or may not be true. That doesn't define my property. When it comes down to it, when I'm selling my property to you, you're going to look to see what property do I have. You look to the description, the metes and bounds, so many feet that way, so many feet that way and so many feet [38] back. That's what the claim does and the information that discloses on the best mode and the preferred embodiment is certainly a part of the patent but the claim is what defines it and here very definitely --

* * *

[39] REDIRECT EXAMINATION

BY MR. MALLIN:

Q Under patent practice if the preferred embodiment, the description of the structure of the system describes two possible ways of doing something, does that mean that you have to read both possible ways into each claim?

A When you're reading it on the accused structure, no. You can take one of those two and either one to read it on the accused structure.

Q And if you have two claims, one of which claims it by doing it the one way and one of which claims it by doing it the other way, is that in accordance with normal patent practice?

A Yes.

Q Does Westview's accused system infringe Claims 1, 10 and 14?

A Yes.

Q Does Westview's accused system infringe Claims 5, 6 and 7 that I put up on the board?

A No.

MR. MALLIN: That's all I have.

[40] THE COURT: Thank you, sir.

THE WITNESS: Thank you, Your Honor.

(Witness excused.)

Trial Testimony of September 26, 1991 -- Volume III

[2] MR. GRIFFIN: I wanted to make it clear on the way Your Honor wanted to proceed. I was left with the message at the end of the day yesterday is it the Court's intention to complete the question on -- and submit that and add the plaintiffs' case on infringement to go directly to all the defenses?

THE COURT: May I ask for your best guesstimate as to (A) if we do the question of infringement first, when will you be ready to go to the jury with that? In other words, when will I be in a position to charge?

MR. GRIFFIN: I'd expect you'd be able to do that by this afternoon.

MR. MALLIN: I don't think it's the right way to proceed. We're here to try the whole case and we're prepared to try the whole case and I think we ought to try [3]the whole case. At an earlier time we wanted a bifurcation. They opposed it. We spent money and got the witness ready.

Secondly, I'll have to call all my witnesses in any event. My one witness who will testify to damages also is going to put in the invoices to show the infringement so we're not going save anything much on that part of it and I just simply think we ought to go ahead and do the case. Our direct case

in chief is an infringement case and we ought to see what they have, not only infringement or anything. I don't think it's going to be all that long in any event.

MR. GRIFFIN: The reason I asked is this witness yesterday testified one of the things he did was reviewed the prior art and that opens up the entire prior art question. If we are going to go ahead and deal with just the infringement question now, I have to go ahead and question him.

THE COURT: Let me ask --

MR. MALLIN: What he testified is in reviewing the file wrapper, he reviewed the prior art cited on the file wrapper in terms of the claims.

THE COURT: Let me just ask you if I may for my education on the witnesses if we go with infringement, is prior art one of the issues on infringement?

[4] MR. GRIFFIN: No.

MR. MALLIN: Only to the extent that it's in the file wrapper.

THE COURT: The file wrapper is --

MR. GRIFFIN: Yes.

MR. MALLIN: Validity is something different from infringement but I think we ought to get the case on validity and go to the jury. A lot of these jurors it was clear in the voir dire would like to go home and they don't have to be

very bright to know if they say no there's -- We've spent a lot of money. We're prepared. There's been orders on how to get ready and go to the jury.

[5] THE COURT: Let me go back to my original question. If we go just with the infringement, when I will be in a position to charge the jury.

MR. MALLIN: I think it's going to take -- First of all, I've got to put the evidence in. Since it's a new way of dealing with the case, I'm being told at the last minute I've got to cross examine their witnesses on infringement and later I've got to get ready for summation and you've got to figure out a charge on the infringement and we've got to do it in a very inefficient, fragmented way so I think it's a while before we get to the jury and we'll --

THE COURT: Let me put it differently. If we do all of the liability aspects, when will I be in a position to charge the jury?

MR. MALLIN: If you do all the liability aspects, other than -- Three days I suppose.

MR. GRIFFIN: I guess --

THE COURT: Give him a chance.

MR. RYAN: Two to three.

THE COURT: So that would be --

MR. RYAN: Perhaps Tuesday of next week.

THE COURT: Today is only Thursday.

MR. MALLIN: Right. It would be very early next week.

MR. GRIFFIN: It would take us several trial days to put it all in.

THE COURT: So your guess is --

MR. GRIFFIN: My guess is if they take until Monday or Tuesday, the jury doesn't get the whole case until Thursday or Friday. Mr. Mallin and I don't think damages is going to take a lot of time. Certainly our evidence --

THE COURT: Let me ask you this if I may again just to try to get it in my mind. Let's say we go just on infringement now and then there's a verdict in favor of the plaintiff on infringement, how long would the rest of [6] the case take?

MR. GRIFFIN: A verdict in favor of the plaintiff in favor of infringement? At this point to put on the defense challenging the validity of the patent and they have to put on their damages --

If your damages go quickly, we would put on our challenge to it 2, 2 1/2 days.

THE COURT: Well, how long will the whole thing take after the jury decides in his favor assuming that --

MR. GRIFFIN: It would be the same thing as the entire trial.

THE COURT: I'm sorry, would it take two days did you say after the verdict?

MR. GRIFFIN: After the verdict and he will put on his damage evidence, we would put on ours. We would put on our evidence about development, prior art, what wasn't disclosed and legal challenges. I think it would take us my guess 2 1/2 days. We'd pare down some of the depositions we would read.

THE COURT: On that hypothetical, are you talking about both sides taking 2 1/2 days after the verdict of the plaintiff?

MR. GRIFFIN: Us taking that time.

THE COURT: How about you?

MR. MALLIN: I think altogether it could be done [7] in two or three days.

THE COURT: After the verdict?

MR. MALLIN: The whole thing. If I win on infringement, I think we can do the rest of the case in two or three days.

THE COURT: You're not disagreeing with that.

MR. GRIFFIN: No.

THE COURT: Two or [sic] days after a favorable verdict -- I'm not saying there is one but if you're successful --

MR. MALLIN: I don't think we should allow stopping for a verdict on infringement. We ought to go ahead and do the case so it's not a matter of dividing this up.

THE COURT: What's your response to that?

MR. GRIFFIN: I don't see how a damage expert is at all connected with the infringement action.

THE COURT: I'm not clear either.

MR. MALLIN: I went home and analyzed that. He's -- The witness we call him damages but the first thing we're going to do he knows how many infringing systems were sold. Part of the infringement is they were selling. This jury is entitled to know that they really did infringe even though --

THE COURT: Isn't that a stipulated item that [8] they were selling?

MR. GRIFFIN: We don't challenge our own invoices certainly.

THE COURT: And you don't challenge the authenticity?

MR. GRIFFIN: No. We produced them.

MR. MALLIN: Somebody's got to explain the invoices.

MR. RYAN: Perhaps I --

If they could stipulate to the number of infringing systems that were derived from those invoices --

THE COURT: Exactly.

MR. GRIFFIN: We can talk about that because I want to see --

MR. MALLIN: You see what we're into already.

MR. GRIFFIN: My suspicion, Your Honor, is we can sit down and count them although we would probably come up --

MR. MALLIN: Right from the beginning, Your Honor, you told us how to try this case it's created some difficulty but I got the message. A few weeks ago I said maybe you'd bifurcate damages; you said no, Your Honor. I suggest to you that we go and do this case and get it done whether we win or lose, you know, let's do the case.

[9] THE COURT: Well, you're gradually educating me about a patent case. Although I'm inexperienced in patent matters, I have very good teachers and I am educable. I had the benefit of your memorandum actually on a somewhat related point about the order of proof which I found very, very helpful and it highlighted the importance of separating infringement in the jury's mind and in this case it does seem to me from all that I've seen of the preliminary papers including the motion for summary judgment that the thrust of the case really does go on infringement and that's where

the biggest difference is and that seems to me to be a key decisive issue so balancing all those considerations, we'll go to the jury solely on the issue of infringement and I would appreciate your economizing to the extent that you can in getting the evidence in promptly but that's what we'll do.

MR. MALLIN: That's very unusual in a patent case. I must put on the record that's being done over my objection.

* * *

[11] MR. RYAN: With the Court's permission, the plaintiffs next call Mr. Donald Pfingstler.

DONALD JOSEPH PFINGSTLER, PLAINTIFFS' WITNESS, SWORN

DIRECT EXAMINATION

BY MR. RYAN:

Q Again would you please state your name for the record?

A My name is Donald Joseph Pfingstler.

Q Mr. Pfingstler, where do you live?

A I live at 300 Chauser(ph) Court North in Sewickley, Pennsylvania.

Q With whom are you presently employed?

A I'm employed by the Barrington Consulting Group, Inc.

Q And what is the Barrington Group?

A The Barrington Consulting Group is a financial economic and accounting consulting firm that deals primarily in financial analysis of matters that are in dispute such as this litigation here.

Q Could you briefly describe for us, Mr. Pfingstler, your educational background?

A Following high school?

Q Yes.

A Following high school I attended Gannon University which is located in Erie, Pennsylvania and I graduated [12] from Gannon in 1968 with a Bachelor of Science degree in Business Administration with a concentration in accounting.

Q And following your graduation from college, could you briefly describe for us your employment history?

A Sure. Following graduation I joined the international public accounting firm of Arthur Anderson [sic] Company in their Chicago office. Initially I joined as a staff accountant in the audit and practice. I was with Arthur Anderson [sic] in total for approximately a 12-year period of time until October of 1980 in various capacities. I had about a two-year period in there from 1969 through 1971 when I was on leave of absence for service in the U. S. Army. After I completed that service, I returned to Arthur Anderson [sic] and over that period of time from roughly 1971 to 1980, I received a series of promotions as I gained additional experience and

took on more responsibilities for both the review and conduct of audit examination of business records as well as other consulting projects within that organization.

Following my tenure with Arthuur [sic] Anderson [sic], I left Arthur Anderson [sic] in about October of 1980 and was one of the finding [sic] partners of one of the firms called Peterson's Consulting in Chicago and they're in a business very similar to the kinds of things I'm doing now. It's also [13] a forensic accounting and financial economic firm doing these kind of matters.

I was partner in that firm in 1985 when I relocated to the Pittsburgh area to open Peterson Consulting office in that city, remained then in a partner capacity until approximately 1987 at which time Peterson was sold and in effect the form of the organization switched from being a partnership to a corporation.

At that point in time I became a vice president within Peterson Consulting and was in charge of the Pittsburgh office of Peterson Consulting. I remained in that capacity until approximately the middle of 1990 when I left Peterson Consulting and was one of the finding [sic] shareholders of the Barrington Consulting Group.

Q Do you hold any professional certifications?

A Yes. I'm a certified public account [sic] and I'm licensed to practice in both the States of Illinois and Pennsylvania.

Q And do you participate and are you a member of various professional organizations?

A Yes. I'm a member of the American Institute of Certified Public Accountants as well as the State societies for both the States of Illinois and Pennsylvania and there's a few other professional organizations that I have membership in as well.

[14]Q Mr. Pfingstler, are you experienced in the review and analysis of business and financial records?

A Yes. I've been doing that for over 20 years.

Q Have you been involved in the review and analysis of financial records in connection with a patent infringement action?

A Yes, on a number of different occasions.

MR. RYAN: Your Honor, I offer Mr. Pfingstler as an expert witness on the analysis of business and financial records.

MR. GRIFFIN: Your Honor, I have no questions about the witness's qualifications in that area but I would ask for an offer of proof of why we need him.

THE COURT: I think it's what we discussed at side bar.

Why don't you just get right to that?

MR. RYAN: Thank you, Your Honor.

THE COURT: Under our local rules, we don't have offers of proof as such when the witness has been identified in the pretrial memorandum as I assume this one was.

MR. RYAN: He was.

THE COURT: If you can get right to the substance --

BY MR. RYAN:

[15]Q Mr. Pfingstler, were you and the Barrington Group retained by me and my firm to consult with us in connection with various business records and analyses in connection with this case?

A Yes.

Q And could you please describe for us some of the materials which you reviewed in connection with that engagement?

A Okay. Do you want my response at this time to deal with the limited question that I understand is in front of us now?

THE COURT: If you would. Just deal with that.

BY MR. RYAN:

Q In connection with the business records, sir.

A Okay. Well, essentially we reviewed a list of information concerning a number of "Datamarks" and "Datascans" that the plaintiffs represented had been sold as well as stacks of invoices that also deal with the sale of products made by Westview over a period of time.

Q And did you specifically review those materials with an eye to determining the number of infringing systems sold by Westview?

A Yes, that was among the things we did.

Q Did you do all this work yourself, Mr. Pfingstler?

A No. I had several members of my staff that [16] participated in the analysis work we did.

Q They were under your supervision?

A Yes.

Q What time period did you key in on in connection with the sales of the Westview system?

A Well, essentially we looked at information as I can best recall now on sales information from around the 1985 timeframe [sic] into sometime I believe in 1991. I don't think the records we had went all the way through to the current date. I believe they cut sometime earlier off in 1991 but I can't tell you precisely what the start and stop point was but in broad terms I think that covers the area.

Q After your review of the invoices and the various materials that you described, did you arrive at an opinion to a reasonable degree of certainty as to the number of systems sold by Westview in that time period?

A In terms of the number of infringing systems, I did.

Q Could you please tell the jury what that number is?

A 695 systems.

MR. RYAN: No further questions at this time, Your Honor.

THE COURT: Okay.

CROSS EXAMINATION

BY MR. GRIFFIN:

Q When you counted infringing systems, who told you [17] what systems were infringing?

A An infringing system -- We assumed based on our discussions with counsel and with the other experts and also with Mr. Markman, we made the assumption that in order to have an infringing system, you had to have both a "Datamark" and a "Datascan" so it had to be in combination of that.

Q I just want to get it clear you didn't make any independent judgment about something being infringing at all, did you?

A We conducted the analysis under that assumption with respect to the numbering systems given that assumption it would infringe.

Q It's what the lawyers and the experts told you?

A Constituted an infringing system, that's correct.

MR. GRIFFIN: Thank you.

THE COURT: Thank you, sir.

(Witness excused.)

MR. MALLIN: Mr. Markman, please.

HERBERT LEONARD MARKMAN, ONE OF THE PLAINTIFFS, SWORN

DIRECT EXAMINATION

BY MR. MALLIN:

Q Please state your name.

A Herbert Markman.

[18]Q Where do you live?

A 631 Fairston Drive in Wynnewood, Pennsylvania.

Q And are you one of the plaintiffs in this case?

A Yes.

Q Would you tell the jury your educational background beyond high school?

A I attended Drexel Institute of Technology which is now Drexel University and I received a Bachelor of Science specializing in commerce and engineering science and that

was my undergraduate degree. I also received a Master's in Business Administration from Drexel University in 1968.

Q Give us a brief resume of your career experience after you left Drexel?

A For a short period of time I worked for a small consulting firm called Morrison Associates which did data processing consulting and then I went to work for a company called Rentex Services Corporation which is in the business of providing uniform rental and linen supply services to general industry and at Rentex I started out as Director of Management Information System, ran the Computer Department and then became Assistant Treasurer still providing guidance for the data processing group and for the last 2 1/2 years was Vice President of Operations and was responsible for half of the company's plants [19] throughout the United States.

Q What year does that get us up to?

A 1973.

Q What did you do after 1973?

A In 1973 I started my own consulting firm to provide data processing systems to the, primarily to the uniform rental and linen supply industry and actually I just provided consulting for the first couple of years and about 1975 we incorporated H. L. Markman Associates and at that time started provided turnkey(ph) data processing systems for the textile rental industry and that provided the hardware and the

software and the training support and that really continued until 1984.

Q And then what did you do?

A In 1984 we formed Drycleaning Computer Systems, Inc. which is now called Positek, Inc. It was just a name change.

Q Let's be sure we're clear. You formed Drycleaning Computer Systems, Inc.

A Yes.

Q I take it it was a company you owned?

A It was a new company and we started with three employees.

Q At some point the same company changed its name to Positek?
[20]A Just in January of this year.

Q And tell the jury the nature of that business.

A Well, I had been working on developing a system prior to forming that company for the retail drycleaning industry and that company supplied a hardware/software system for retail drycleaners to help them perform accurate, consistent pricing, do inventory cash control and we started growing that business from '84 through this year. We still consider us a small company but we've grown to 45 employees which we have and we're located in Norristown, Pennsylvania.

Q And Norristown, is that where the assembly operation is performed?

A Yes. That's where we do the customer support, assembly and research and development for the company.

Q I show you Plaintiffs' Exhibit 1 which is the reissue patent suit and ask you whether you are the owner of the patent?

A Yes, I'm the owner of the patent.

Q And I show you Plaintiffs' Exhibit 13, which is the original 2, 4, 6 [sic] issued October 29th, 1985. Were you the owner of that patent as well?

A Yes, I'm the owner of that patent.

Q Did you license that patent as DCCS, Inc. so that Positek could use it?

[21]A Yes, there's a licensing agreement between myself and DCCS Positek.

Q I show you Plaintiffs' Exhibit 24. What is that?

A That's the ticket license agreement that was in 1984 between myself and Drycleaning Computer Systems, Inc.

MR. MALLIN: May it please the Court, I offer Plaintiffs' Exhibit 24.

BY MR. MALLIN:

Q Does Drycleaning Computer Systems, Inc. under that name or Positek sell patented products?

A Yes, we do.

Q On the products that you sell at the time after the reissue patent, did you put any marking on the product to show that it's a patented product?

A Yes, we have.

Q I show you Plaintiffs' Exhibit 25. Can you tell me what that is?

A This is a label that we put on the printers that we ship out for the patented systems and it says Drycleaning Computer Systems, Inc. and it refers to the patent numbers: The U. S. patent number, the reissue patent number and the Canadian patent number.

Q And printers that that's put on is that part of the printed system that you sell at Positek?

A Yes.

[22]Q Before the reissue patent while the original patent was in fact after it was issued after October 29th 1985, did DCCS --

What's that name again, dry --

A Drycleaning Computer Systems, Inc.

Q Did it put a notification on the patented systems being sold concerning that it was patented?

A Yes, we did.

Q And what did that notification say?

A It was a similar label. It only had the initial --

The initial one only had the original patent number on it and and [sic] it didn't contain the reissue number on it because it didn't exist and it didn't contain the Canadian patent because that was issued after the original patent.

Q Would you tell the jury what a drycleaning trade show is?

A It's a major event.

Drycleaners also attend and coin operated laundry companies and it's held every two years and I've been attending those during 1980 and 1990. It's our major contact with the industry from a marketing standpoint.

Q Did you you [sic] say the show is held every two years?

A Yes.

Q Was one held this year?

[23]A Yes. There was just one recently held. I think it was during the last week of June in Las Vegas.

Q And was one held in 1989?

A There was one held in 1989. I believe that was in Dallas, Texas.

Q And that means there was one held in 1987?

A The '87 one I believe was either New Orleans or Atlanta but they're every --

Q That's why I'm not asking you whether there was a show -- There's a lot of trade shows so since the issuance of the original patent, do I have it there would be a cleaning show in '87, '89 and '91?

A Right.

Q Did Drycleaning Computer Systems, Inc. or Positek --

And you attend and display your products at that trade show?

A Yes.

Q Who comes to those trade shows?

A As far as the attendees?

Q Yes?

A It's really drycleaners from all over the United States and actually all over the world; people as far away as Australia at the one in Las Vegas.

Q Is this an important show?

A It's the most important as far as we're concerned for [24] our industry because it's held every two years and it takes a lot of effort. The reason it's not every year it takes so much effort to prepare for the shows that to have them every year would be too monumental a task.

Q Do companies that provide systems and supplies or equipment for the drycleaners put on displays at that show?

A Yes. Every significant vendor who is supplying systems to that industry I would say would be at that show.

Q Now at the 1987, 1989, 1991 show, did Drycleaning Computer Systems, Inc. Positek and you display the patented system?

A Yes, we did.

Q Did you personally attended [sic] each of those two years?

A Yes, I did.

Q At each of those three shows did Westview Instruments have a display or booth?

A Yes, they did.

Q And at the display booth presented by Westview Instruments at those shows to the drycleaning industry, was the "Datamark" and the "Datascan" inventory control system displayed?

A Yes, it was.

Q And did Westview Instruments have brochures at those [25] shows displaying its system?

A Yes, it did.

MR. MALLIN: May it please the Court, I offer Plaintiffs' Exhibit 25.

I have nothing further at this time.

THE COURT: Very good, sir.

MR. GRIFFIN:

CROSS EXAMINATION

BY MR. GRIFFIN:

Q Mr. Markman, is the purpose of your invention to track specific articles dropped off by a customer in the drycleaning system?

MR. MALLIN: Under the rulings of how you wanted to proceed, I object to that question at this point.

THE COURT: Well, it does seem to me that it goes to the issue that we're trying of infringement so I'll overrule your objection for that reason.

A Could you repeat the question?

Q Yes, sir. I'll rephrase it.

Does your invention track the specific articles belonging to a customer through the drycleaning process?

A My invention is an inventory control and reporting system which has several options and as I understand it, the options are presented in the claims [26] and one of the options that is presented in one of the subsequent claims other than 1 tracks individual articles.

Q It's not limited to tracking individual articles with a tag. Let's talk in terms of tracking the articles associated with the unique indicia through the drycleaning process.

A The system --

MR. MALLIN: Your Honor, now he's gotten into the patent terminology. This is the inventor not a patent expert. When we start using the patent terminology, I don't think it's appropriate cross examination.

THE COURT: Well, as you point out, he is the inventor and I don't think there's anything unfair about asking that question. Overruled.

A The system tracts [sic] individual tickets that have unique ticket numbers as far as the inventory contr' system is concerned.

Q And the information about the articles of clothing associated with each ticket is stored in your system, is it not?

A One of the options that the system has is to store the detailed information regarding the ticket.

* * *

[28]Q How much computer memory, sir, do you have to have to carry out your invention?

A See, I think -- There's a distinction here. We had a system that we offered for sale that is -- which deals with certain aspects that are in the patent. The patent doesn't really say how much memory you have to have. It doesn't say what kind of computer you have to have. It doesn't deal with any of those specific issues and I can answer the questions -- I'm not a patent attorney. I'm not a lawyer. I can answer the questions -- I know how we implement the patent at Drycleaning Computer and Positek. I really -- In terms of the patent itself and how it's implemented by other people, there's all kinds of ranges of memory devices that can be utilized.

Q My question is as the inventor, what's your understanding of how much you need in memory to be able to do what your system is supposed to do.

MR. MALLIN: Objection, Your Honor. He just said there could be a range of memory.

THE COURT: Overruled. It seems to me it's an appropriate question.

A I don't really -- If you want a range of memory, it probably is 32 K bytes of memory to 16 K bytes of memory up to two million bytes of memory. It can be implemented in many different ways depending on the system design.

[29]Q How many pages of text is 16 K bytes?

A We're talking about 16,000 positions of memory but it's --

Q How many pages of text does that turn out to be?

A I don't know.

Q Do you know --

A Depends on how fine the type is.

Q Do you know how much information that can store?

A 16,000 positions of -- digits of memory or alpha/numeric fields but --

Q Is that sufficient to track orders and what makes them up through the drycleaning process?

A I don't know.

Q When you applied for your reissue patent, did you not explain to the Patent Office your invention was for tracking articles and groups of articles through the drycleaning process?

A I have to look at the materials but I don't have the reissue patent in front of me. I have to see what you're referring to.

Q Is the purpose of your system to track articles of clothing through the drycleaning process?

A The purpose -- It's an inventory control and reporting system that has certain elements in it and you are tracking -- The primary tracking done is done with [30] the unique ticket numbers as they enter and leave inventory in order to provide inventory control and that can be done and is done through the implementation of it at the invoiice [sic] summary total which is the total dollars per ticket.

Q And your claim in your patent, sir, says that the --

In your system, the unique sequential indicia and I take it --

A The ticket number is one implementation of that.

Q And the description of the articles in the transaction, I guess the dropping off of the bundle of clothes, are reconcilable against each other?

A Yes.

Q So in your system, you can go in and see if there is an article of clothing missing from an order?

A By looking at the ticket.

Q If you lost a ticket, can you quiry [sic] your system?

A One option, okay, which is covered I believe in the first claim of the option is to -- The way to do the reconciliation -- One way of doing the reconciliation is to look at the ticket or a copy of the ticket because most drycleaners keep multiple copies of the ticket in a control file and so one

could go to the customer, one goes on the clothes and one to be kept. Any one of the copies can be used to do that reconciliation.

[31]Q There's a green sweater that you know you saw somebody, the operator of the -- saw someone take out of an area. Your system lets you identify the invoices that you'd have to check to find which one might be missing a green sweater?

A As I said, there's many options in the system. As a matter of fact, if you want to talk -- I guess they were calling it the preferred embodiment which I guess is different ways things work but we have many, many options of how that can be done. One of the options, one of the options is to maintain the detail. Another option is not to maintain the detail.

Q As an inventor, when you were coming up with this system, did you conceive it as being a system to track the articles through the drycleaning process?

A That was conceived that way as an additional claim because it was a future enhancement to the system which I thought would be worthwhile but it wasn't the primary reason that I developed the invention. It was a future alternative that I had developed.

Q What was the primary reason why you developed the invention?

A It's an inventory control and reporting system and has the component parts that we've been talking about for the last day and an half and I thought it had merit [32] because I had

never seen anybody anyplace do it the way I was envisioning it being done and I guess that's why the Patent Office said it was right twice.

Q And the way you envisioned it being done was to be able to monitor completely the progress of articles through the laundry and drycleaning system, correct?

A There's a basic -- The basic way I saw it being done was at a level where the ticket was controlled and the items within the ticket reconcilable against the ticket. I have an additional claim which includes that which says you can put tags on the ticket and that was an enhancement to the system which I felt would give it another level of value to the original concept.

Q Well, then, sir, let's see if we can't understand this. By looking at the language which you added --

A I'll tell you, I'm going to have trouble with this because I'm not a patent attorney. I can tell you what I do. That's why I hire patent attorneys. I get as messed up in this language as anybody.

Q Let's just try to unmess it and use the language which you've used before, okay? Do you recall --

MR. GRIFFIN: Your Honor, I'm going to try to stay away from issues that --

BY MR. GRIFFIN:

Q You were asked about about [sic] an invention you had [33] designed by Jolicoeur Limited which was taken on I think it was the 16th of July of this year?

A Yes.

Q Do you recall that?

A Yes, I do.

Q And do you recall being asked the question in what way are they different, meaning the Jolicoeur system and your invention?

* * *

[34]Q Do you recall being asked the questions?

A I recall being asked about the Jolicoeur system. I don't specifically recall my answer to it.

Q Do you recall being asked, "In what way are they different?"

A I suppose so, yes.

Q Do you recall what your answer was?

[35]A Not exactly.

Q Would it refresh your recollection if I read it to you?

A Um-hum.

Q "The bar code was printed on the back spaces strictly on a turnaround document for later data entry and specific articles that are identifiable by the customer who dropped them off and were owned by the customer were not tracked into the inventory control system as they were in the invention".

Does that refresh your recollection and fairly represent what you said there?

A In the Jolicoeur situation, the -- It was preprinted bar code used as a turnaround document and the items there were not tracked or even cross referenced as to the individual owner because they were napkins and tablecloths that were -- It was strictly used as a count and when those items went in, they went to somebody else, another restaurant.

Q And that's to contrast with your system where they are tracked into inventory control and are cross referenced?

A See, what we have in the system is a primary claim as to the inventory control and reporting system, then we have a tracking system which is spelled out as I [36] understand it -- I've learned more about this thing -- it's a dependent claim so the system has both -- The system described -- The inventory control system, the reporting system described has an option which is a dependent claim to put tags on and track it.

Q If you're now going to start talking about independent claims, I'm afraid we're going to have to go back to the claim language which you said you don't want to talk about.

A The patent has -- As far as I'm concerned, the way the patent was conceived, it does not have to retain in memory the details associated in the computer memory, the details associated with the ticket after the tickets is created.

Q In your system, is there a difference between a ticket and a report?

A Yes.

Q Is there a difference between a ticket, a report and a tag?

A Yes.

Q In your system, is a microprocessor -- does a microprocessor have to have the means to be able to generate at least one report of the inventory total and transactions --

A See -- All right. Go ahead.

[37]Q -- and cross reference the items of clothing?

A We're getting involved in claim language, okay? We had somebody here who -- I know what the system does and I know what I conceived it to do. I know what the elements are. If we're talking about -- I'm not a patent attorney and we're trying to interpret this -- you're trying to get me to interpret it in that way.

Q No I'm not, sir. What I'm trying to do is as the inventor of the system who had before told us that in distinguishing it from an earlier system which you made, you said, the

earlier system, the individual items were not tracked into inventory -- the inventory control system as they were in the invention and I'm trying to find out -- You said that under oath. That was what you said in trying to describe how that differed from your invention and --

A There was no -- In the Jolicoeur system, there was no unique tickets created.

Q I'm not asking about that. I'm talking about this system. Isn't it the purpose of this system to track the items of clothing, sir?

A The purpose of the system is as far as being an inventory control and reporting system is to keep track of individual tickets that are assigned unique numbers from an inventory for inventory control purposes.

* * *

[38]BY MR. GRIFFIN:

Q How do you localize spurious additions and deletions from inventory in your system?

A The system described in the patent?

Q Yes, sir.

[39]A Okay. When you create a ticket, a unique number is assigned to that ticket and coincidental with that ticket being produced, the number is produced and a bar code that represents it is produced and at that instant, the system

enters the -- the transaction enters the inventory control system as far as the ticket number and the dollar amounts of the ticket are concerned.

Q Does it not also include the transaction identity and the description of each of the said articles associated with the transaction?

A The description of those articles can be printed on the ticket.

Q And is it not -- Are they not stored in the system memory?

A At a minimum while the ticket is being produced and once the ticket is produced, the storage of those articles, the details of those articles are not required as far as the details other than the total dollar amount in memory and the additions and deletions are created by either entering the ticket number at a later point which verifies that it's been picked up and the way the reconciliation is done is by taking an inventory and when you take an inventory, you can have additional tickets or missing tickets.

One of the ways you have additional tickets is [40] somebody brings an order back because they did a junkie job cleaning the clothes and you want them recleaned and they forgot to put it back into the system. A missing ticket can be created because of the clerical error because the ticket; and the dollars are missing. That's by taking inventory is how you reconcile the dollar amounts and the dollar amounts associated with each ticket in order to control the inventory which is one of the things that the drycleaners or anybody

trying to control their inventory is trying to do and that's what the invention is all about.

Q Are you telling us today that the invention does not require descriptions of articles in the sequential transactions to be kept in system memory so they would be reconcilable against the number?

A The transaction is the ticket number. The ticket number is unique. The unique ticket number is kept in memory. The articles associated with that ticket number being the shirt, the pants are not required to be kept in memory after the ticket is created. They can be but they're not.

Q And that's the way you originally came up with this invention?

A I don't know what you mean by that.

Q That's what you intended to come up with when you [41] came up with this invention, a system which didn't store individual article descriptions in memory, is that correct?

A It could keep those articles in memory and I'm not saying it can't and the way I sell it, which is a version of the system that we market, it has the capability of doing it and there is a variable retention of that information. You have to answer a question how long do you want to keep it but that is not -- That's not -- That is just one variable which does not have to -- the invention does not need that retention in order for the original concept to --

Q Why do you have the invention as you implement it store that information?

A I thought that that option was what's -- See it's -- The system as we implement it, which is not what the patent is covering, has all kinds of options because we feel that there may be -- We're trying to fulfill the need for an entire marketplace. Some people could care less about the detail articles associated with the ticket. They're just interested in inventory control. If that's all they care about, that's -- we can implement the system that way. If they're interested in the details, the system can be implemented that way. It's an option and I tried to cover all options that somebody could want and [42] the ones I knew about in 1980, in the beginning, 1983, '84 whatever the timeframe [sic] was, are the ones I put in and since then we've put many more options that are not even included in the patent. We keep enhancing the product. I have three or four people working full time on research and development.

Q It's been your testimony that tracking of articles through the process isn't something that you think is basic to your invention, is that right?

MR. MALLIN: Objection Your Honor. This question has been asked and answered about six or seven times now.

THE COURT: Overruled. I don't think so?

A Could you repeat the question?

Q Yes. Is it your testimony that tracking of articles, whether they be individual or batches, isn't something that is basic to your invention?

A It's one of the components.

Q Now, sir, you asked for a reissue patent, correct?

A Correct.

Q And that reissue added a Claim 16 I believe.

MR. MALLIN: 14 and 15.

Q 14 and 15. Excuse me. That's right. I ought to look at it.

Is that correct?

[43]A I happen to have it here so -

Claim 14 and 15 were added, yes.

Q And in doing that and the reason -- Let me go back.

Nothing from Claim 1 was deleted, was it? Nothing from your original patent Claim 1 was deleted when you got your reissue patent, was it?

A Claims 1 through 13 stayed unchanged.

Q And so you added -- wanted a Claim 14 to make some points clear and 15 to make other points clear?

A Well, what happened was -- and I don't know -- This patent was challenged with many -- with prior art, all kinds of issues.

Q We're not supposed to get into those, sir. Maybe --

A You're talking about the reissue patent --

Q Let me get into what you said when you went to get the reissue patent.

MR. MALLIN: Your Honor, he was cut off when he was explaining the context.

THE COURT: I'm sorry. Go right ahead.

A Okay. What happened was that other people were including Liberty and Max and a whole bunch of other companies said that there was prior art, the patent was invalid. There were all kinds of issues so what I did to clarify all of that, I sent the patent -- I took it back to the experts. The experts I felt were the Patent Office [44] and I said: Okay, experts, if people are saying it's invalid, there's prior art, all this kind of problems, I'm going to put it in your hands and you make the decision and -- because you're the expert and Liberty, Max and whoever else wanted to put all kinds of materials in front of the Patent Office and I understood that if any of that material was in fact valid, I would lose the patent because the patent wouldn't be reissued so the claims that are reflected, the primary reason for the reissue patent are the claims -- of the claims that are reflected there clarify the contentions that were being made about the patent in terms of what these parties felt the issues

were and I just felt give it to the Patent Office, they're the experts. If they say it's no good, it's no good if it's --

Q You didn't take it to the Patent Office. You took it back to your patent attorneys, didn't you?

A I took it back to my patent attorneys, that's correct.

Q Then you filed an affidavit with the Patent Office, didn't you?

A Yes, I did.

Q And in part of that affidavit you said, "It may be argued that the claims are limited to a system that tracks individual articles such as individual pieces of clothing [45] brought in by a single consumer to the dry cleaning establishment and the like --

MR. MALLIN: Your Honor, I think the witness ought to be able to look at the piece of paper that's being read from rather than see it orally.

MR. GRIFFIN: I'll be happy to, Your Honor.

While we're taking care of the clerical issue there to make sure the certified copy is appropriately marked, I'll move off this and come back to it.

(Pause)

BY MR. GRIFFIN:

Q Mr. Markman, was it your understanding that Claim 1 dealt with tracking individual articles of clothing through the drycleaning process?

MR. MALLIN: Now we're exactly asking the lay witness, the inventor, not what the invention was but for him to explain what's in Claim 1 for which we brought a patent expert to testify --

THE COURT: Would you rephrase the question, Counsel?

MR. GRIFFIN: Yes, sir.

BY MR. GRIFFIN:

Q Did you work with your patent counsel to add language after your initial application was rejected?

A I communicated with him, yes.

[46]Q Did you review the language that was to be added?

A I read the language that was to be added.

Q And you understood what you were doing then?

A I understood what he told me he was doing. I'm not a patent attorney. Some of this stuff -- In fact, because of some of the expert witness, I understand more than I ever did before. I'm not a lawyer. I'm not a patent attorney. I know what the invention is. And I rely on the patent

attorneys to submit that to the Patent Office and follow their rules.

Q I know you sat here and you listened to Mr. Chovanes?

A Right.

Q I don't want you to testify based on what you heard Mr. Chovanes say. We want you to testify based upon what your understanding of your patent is, okay?

MR. MALLIN: Your Honor, this witness's understanding of what a patent is isn't relevant in this case. This witness's --

THE COURT: Let me hear the question, object if you wish and I'll rule on it. I haven't heard the question. You interrupted him in the preface I think unintentionally.

BY MR. GRIFFIN:

Q You added language to your patent and let's take a look at it because I don't want to be unfair to you. I [47] put Defendants' Exhibit 3-A up on the easel.

Now, when you added the language in the first paragraph: "Each of the transactions having articles associated therewith, said information meaning the information which was being put in --"

Then it goes on, "-- including transaction identity and descriptions of each said articles".

Why did you add "of each said article"?

A You know, when this was all done, which is in, what, 1985 I guess, the patent counsel and I reviewed what he was doing; why he was doing it. I understood it then. I'm not sure if I understand it now. I' [sic] know what the final results were but I don't remember all the reasoning that we went through in order to come up with the end result.

Q You said you knew why he was doing it. Was he doing it to meet the objections of the patent examiner?

A We submitted the patent and there were some objections and it was changed to resubmit it. It was resubmitted in order to deal with those objections and once it was resubmitted, the patent was granted and it was not only granted once, it was granted twice. I feel real good about that that it's a very difficult, long process. I do not understand the procedures that you have to go through in dealing with the Patent Office. I'm not a [48] patent attorney.

Q Sir, when I started to ask you questions about what you said in the Patent Office before, you said -- Your counsel rightly pointed out that you ought to have the exact language in front of you and I have it in front of me now. I'm going to try to find it in the certified record of the Patent Office so you will have it.

Rather than delay the Court's time --

THE COURT: I think your colleague can help you there.

BY MR. GRIFFIN:

Q Sir, is it the purpose of your invention to be able to tell whether an individual item has been lost out of someone's drycleaning order?

A The primary -- It's an inventory control and reporting system that tracks individual tickets that have unique numbers and the retention of the detail after the ticket is created is an option in the system and is not what the primary function of the system is. I think I said that several times.

Q Where is it stated as an option as you understand it?

MR. MALLIN: I'm sorry. I didn't hear the question.

THE COURT: And where is it stated as an option [49] as you understand it?

A I have to start reading through the patent. I mean -- The primary claim, Claim 1, does not require that the system retain details as far as the articles associated with the ticket after the ticket is produced.

Q If it doesn't, how do you generate a report of the total and the transactions with the unique sequential indicia and descriptions of the articles in the sequential transactions being reconcilable one against the other?

A Okay. I think we just spent this morning like and yesterday hours on this stuff.

Q Let's try it another way then. I'm putting in front of you, sir, a document which has been marked as Defendants' Exhibit 2. It is the certified copy from the Patent Office of the reissue patent filed. I'm opening it, sir, to a portion of it which is "Reissue Declaration and Power of Attorney by Inventor" and I'm turning it to Page 2 of that where it says, "Tracking of individual articles". Okay? Do you have that in front of you? Directing your attention to the paragraph --

A I see. "Tracking of individual articles".

Q "Tracking of individual articles" and that goes --

A Right. I see that.

Q Does that paragraph suggest, sir, that at that time you were telling the Office that while it may be argued [50] that the claims are limited to a system that tracks individual articles such as individual pieces of clothing, you think it also ought to include the tracking of batches of articles brought in?

A The purpose of this claim -- I mean of this document was that the patent was being reissued under the objection of --

Q Sir, could you read that paragraph, please?

MR. MALLIN: I think he ought to be allowed to finish his answer.

THE COURT: Sure. Go right ahead, sir.

A Okay. It says right up here "Max Business Systems, plaintiff". Okay. And I think I have to give some background here because Max Business Systems was formed, they infringed the patent and in 1987 they sued me to declare the patent invalid. They came up with all kinds of objections and they said this is why we consider the patent invalid and they had lots of paper. "It may be argued" is that Max was arguing that these issues were problems so what we did is -- when I say "we", it's myself and my patent attorney -- said: Fine, let's send all this back to the Patent Office. "It may be argued" that's what Max is arguing and we sent this back in, Max sent in loads of paper, Liberty Lister sent in loads of papers and as a net result of that, in 1989, the patent was reissued, all [51] 13 claims were held and two additional claims were added and I went through this whole thing so that the Patent Office who I felt were the experts would make the decision and all this language was reviewed by them and they reissued the patent and at that point I had flipped a coin and if they said we're not going to reissue it, the patent was mine so I'm not a patent attorney. I know what the reason for this is and that's why this document was created.

Q This is something that you signed, isn't it, sir?

A Yes, it is.

Q And so this fairly reflects what you thought, doesn't it?

A Yes, it does.

Q And you told the Patent Office that you thought instead of limiting it just to individuals, you said, "The grouping of

such articles into sets for tracking print, e.g., a suit comprising pants under a jacket and/or suit or dress or other separable items grouped together is reasonably disclosed as forming a part of the invention".

You're talking about tracking articles in groups identifying what is part of the group and tracking individual lines, aren't you?

A That's too many questions all at once.

Q Okay. If it could be argued it was limited to [52] tracking individual articles, and that's what you said it could be, right?

A Can I read -- I have to read what this is all about because it's complicated and --

Q Please read.

* * *

Q Mr. Markman, did you have an opportunity to review your declaration?

A Parts of it, yes.

Q And you took a look at what you said about tracking [53] clothes?

A Yes.

Q I'd like you to keep that in mind, please, sir.

Right now I'm going to hand to you a document which has been marked as Defendants' Exhibit No. 76 and ask you to turn to Page, handwritten numbers, 467 of this exhibit, Page 467 of Defendants' Exhibit 76, an inventory report generated by your prototype machine, prototype unit.

A Yes.

Q That is a prototype of your invention that we're referring to, correct?

MR. MALLIN: I understood that question to be asking about the prototype of the invention and I thought the ruling of the Court was not to get into those issues at this point.

THE COURT: I'm not sure I understand what the problem is.

MR. GRIFFIN: I don't think there is one, Your Honor, because we're just going to what Mr. Markman thought his system did and what it tracked and it seems to me probative of what his system was -- what his original system was doing. It doesn't track clothing. It doesn't --

THE COURT: It seems to me -- that way to me, [54] Counsel. I don't see what's wrong with the question.

MR. MALLIN: And, of course, it's my position all along we're happy to get into that sort of thing at the appropriate time.

THE COURT: Right. The only issue we're trying now is whether the products produced by Westview infringes on

Mr. Markman's patent claim and the question does seem it's relevant on that issue.

BY MR. GRIFFIN:

Q I'll rephrase the question for you. Is that an inventory report generated by a prototype of your invention?

A This is an inventory report that was generated by the first --

Q Does that show ticket number?

A Yes.

Q Does it show account number?

A Yes.

Q Does it show garment type?

A Yes.

Q It tracked individual items of clothing, correct?

A This is a listing -- I have to look at the rest of the brochure to get -- to understand the context because I haven't really dealt with this for many years so I'd like to look at the rest of the pages.

[55]Q Please.

(Witness did so.)

A It appears as if this report reflects one of the options in the system and that option is to keep the detail records relative to the tickets on file but it is only -- it is only one of the options. It is not required as part of the invention.

Q Are you trying to tell us, sir, that your invention did not require the system to maintain information about individual items or maintain descriptions of items which made up an order?

A It only requires that that information be present, detailed information on ticket at the time the ticket is generated. Once the ticket is generated, the unique number, which is the ticket number, and the total, being the total dollars, is retained. To retain any more information is optional under the invention and you may or may not retain that detail but it is not part of the primary invention.

Q Then, sir, please tell me why you added the language to Claim 1 after your original patent had been denied, the application had been denied that said, "said total and said transactions the unique sequential indicia and the descriptions of articles in the sequential transactions being reconcilable against one another"?

[56]A The unique articles which we've gone over many times are printed on the ticket during the process of printing the ticket. Once the ticket is totaled, you do not have to retain the detail as far as the articles associated with the unique number pass that point in time.

Q Isn't it true you never made a unit that did only that?

A Let me think about that.

A Probably the commercial use -- In commercial use it's probably true that the product that we sell which is not --

Q The question was isn't it true you never made a unit like that? That's the question, yes or no?

A We never sold a unit like that.

Q Did you ever make a unit like that?

A I'm not sure.

MR. GRIFFIN: No further questions, Your Honor.

MR. MALLIN: Your Honor, I would like to read to the jury an allegation appended to the complaint which is admitted by Westview.

THE COURT: Are you finished with this gentleman?

MR. MALLIN: Oh yes. I'm sorry. I was looking at these papers. Very bad to forget your client.

(Witness excused.)

[57] MR. MALLIN: Now I would like to read.

Ladies and gentlemen of the jury, in the papers that plaintiffs filed in this case Paragraph 10, plaintiff said, "Westview Instruments is in the business of, inter alia," --

that's a legal word for among other things so maybe I'll read it again in plain English.

"Westview Instruments is in the business business [sic] of, inter alia, manufacturing and selling inventory control systems."

And Westview in response to that said answering Paragraph 10, "Westview admits the allegations above.

MR. MALLIN: Your Honor, am I understanding of the way the Court has elected to proceed at this point we're going to stop on infringement and infringement only?

THE COURT: Very good. That's exactly right.

(Mr. Griffin handed up a document.)

THE COURT: I will defer on the motion you were kind enough to hand up for the present.

MR. GRIFFIN: Thank you, sir. It was a Rule 50 motion which we handed to you, sir.

THE COURT: That is correct. I'll simply defer ruling on that and you may proceed.

MR. GRIFFIN: I'd like to have Mr. Jim Jenkins take the stand, sir.

[58] JAMES ALAN JENKINS, DEFENDANT'S [sic] WITNESS, SWORN

DIRECT EXAMINATION

BY MR. GRIFFIN:

Q Mr. Jenkins, how old are you, sir?

A I'm 41 years old.

Q Where do you work?

A I work at Westview Instruments in Houston, Texas.

Q What's your job at Westview?

A At Westview I'm president of the company.

Q What else do you do there?

A Well, I do the design and supervise the construction, development of listing machines, car wash controllers, bar code readers and time clocks.

Q Where did you go to school, sir?

A I got my BS do[illegible]le E in electrical engineering from the University of Houston magna cum laude and I went to Rice University and picked up a Master's Degree in electrical engineering.

Q Do you have any formal education beyond that?

A No, sir.

Q Did you do any development work when you were at Rice?

A Well, I developed the first wave guide laser --

Q What's a wave guide laser?

A It produces millimeter light. It's optimally pumped [59] by a CO2 laser. At the time we were developing it so we could pierce the cloud that spaceships have to pass through when they're entering the atmosphere.

Q What is your relation to the "Datamark" system?

A I was the developer of the "Datamark" system.

Q I'd like to ask you a lot of other questions about that but right now we're going to confine ourselves just to the system and how it works.

Can the "Datamark" system maintain an inventory total?

A No, sir, it can't.

Q Would you explain to us why that is?

A Well, what the unit does is as it's been explained before, it totals the tickets that are entered into the machine and keeps a running listing of those invoice numbers and ticket totals. When we are -- One way of looking at it is it keeps a -- It keeps a listing of the cash inventory that's coming into a drycleaning shop. The inventory, of course, is the cash that you have there and and [sic] then your cash register

keeps track of the dollars that are leaving the drycleaning shop. The listing machine of itself doesn't keep a running total of the inventory. The total of the inventory, the cash total can only be generated when you actually go out and do a physical inventory of the laundry tickets.

[60]Q When you do that, what physically does the machine do?

A Well, the "Datamark" since it's keeping a listing of these tickets that are in the inventory and cash totals, you plug your "Datascan" into the "Datamark" and that dumps the information from the "Datamark" into the "Datascan" then in theory, the "Datascan" has all of the I'll say the cash that has come into the business, you take the "Datascan" and you wand out any tickets -- When I say wand out, you wand through the bar code on those tickets and then --

Q Which tickets are those?

A I'm sorry. Those are the laundry tickets. When you wand those tickets, it subtracts those tickets from the "Datascan" and and [sic] then at that point your "Datascan" in theory should have all of the tickets that are throughout the drycleaning plant so you take your "Datascan" and you wand through every ticket that you can find in the drycleaning plant and it will give you a list of -- First of all, it will give you a total of the inventory and it will calculate it at that point then it will give you a list of all of the extra invoice numbers and ticket totals that are found and then also a list of all the missing invoice numbers and ticket totals that it could not match up.

[61]Q Now, a number of people have been referring to a blow-up which is over here by the jury which has been marked as Plaintiff's Exhibit 8-B and I'll bring it around so we can all see. This is part of the "Datascan" brochure. It has on it pictures of three different reports, does it not?

A Right.

Q One says inventory. Would you tell us what that is?

A That was the inventory that I was referring to just a few minutes ago. There's a date on that inventory. That would have been the date at which point an operator would have taken the "Datascan" and gone throughout the drycleaning plant to wand all the tickets. The listed invoices --

Q That's the middle one?

A No. Would you like me to explain the ticket?

Q Yes, would you please?

A The listed invoices represents the invoices -- invoice dollars that it found of the ticket that you wanded through. The extra invoices represent the extra invoices that were found that shouldn't have been there for whatever reason and dollars that they represent. Since you had no listing of that invoice number, you would have to manually enter the dollar amount. You'd have to take that right off of the ticket.

[62]Q Does this report, the inventory report ever list all of the invoice numbers?

A No, sir, it does not.

Q So there's no way of tying a number to that report?

A No, there isn't.

Q That's only with your -- That's only --

What is this missing invoices [sic]?

A Right above that it has the total inventory. That would be the calculated inventory that it found from you wanding through. At no point did it maintain that total. It's that total that's calculated as you wand it through the drycleaning shop.

Q That's not the total that comes from the "Datamark" itself?

A No, it's not. It's something you go out and find. It's a total that's generated as you're going through and wanding those individual invoice numbers.

Q The invoice listing, what's that?

A The invoice listing you notice there's a date up there, 4/25. That represents the invoices that came into your drycleaning shop for that day like 4/25.

Q That information does come from the "Datamark"?

A That comes from the "Datamark" but in no way does that represent an inventory. All that is is the amount of business

that came into your shop, say, on one day. Now [63] you could get a total for all of the days but still in that case, it's not an inventory because it in no way reflects the amount of business that's being paid for at the register.

Q Would you explain that to me?

A Well, that invoice listing represents the business that's coming in, your business through the listing machine.

Q What happens -- How does it record if it does something that goes out?

A Well, the only way to record what goes out is to physically go over to the machine and remove it or as I mentioned previously, take the "Datascan" and wand those invoice numbers out.

Q Now where it says "Invoices removed".

A That's what I just described. Those would be where the stack of invoice [sic] you had wand through the bar codes and that would remove the bar codes from the record.

Q Does the "Datascan"/"Datamark" system create another report?

A The "Datascan" does not I believe. The "Datamark" generates some other reports.

Q What reports are those?

A The "Datamark" will generate what we call an "X" reading and also a "Z" reading. An "X" reading is like a [64] subtotal. As you're running tickets through your listing machine, the "Datamark", it's keeping a total of the ticket totals. As the ticket goes through, it's keeping a total of all the tickets and an "X" reading would be just a reading that accumulates. A "Z" reading is -- When you take a "Z" reading, it zeros it. There's one other too. It prints out a production report.

Q What goes on the production report?

A A production report is basically nothing more than a total of each of the items and I should say each of the types of items that has gone through the machine. In other words, if I started a production report on the first of the month, as I'm running tickets through, it might say pants and the number of pants that went through the machine accumulate. At the end of the month, I could zero that or I could let it keep running. It's just a running total. A lot of drycleaning managers will pay the production help off of that. Again in no way does that represent an inventory total.

Q Is that report -- Does it have invoice numbers with it?

A No, sir, it does not.

Q Is there any report that your system generates that ties invoice numbers and description of clothing together?

A No, there's not.

[65]Q Is your system capable of identifying spurious additions or deletions to inventory?

A No, sir.

Q Can it localize it?

A No, it can't.

Q When I say spurious additions and deletions to inventory, I'm referring to articles of clothing.

A Right.

Q Why can't it?

A By its very nature it's portable and there's no way of identifying where it is you're reading the particular ticket. In order to use the "Datascan" properly, you have to wand through every ticket in the drycleaning shop rack. It means not only the tickets hanging up on the rack but any of the tickets in the process. In other words, the reading of the ticket is of no value to the operator.

Q You're not reading it at any one location?

A No, sir.

MR. GRIFFIN: Thank you.

CROSS EXAMINATION

BY MR. MALLIN:

Q Good afternoon.

Is it true that you have a great deal of difficulty with the language of patent claims?

A I suppose not any more than anyone else does.

[66]Q Well, put it this way. You do remember I took your deposition in Houston?

A Yes, sir.

Q I went there and counsel representing you was there and a court reporter took down what we said and you took the oath?

A Yes, sir.

Q And at that deposition did you tell me, say to me, "I will tell you up front that I have a very difficult time with language in patents"?

A Yes, sir.

Q There's no question about that, right? You're not meaning in anything you said today, and I'm not suggesting, to be changing that testimony, are you?

A No, sir.

Q In the "Datamark" system, is it also true that you told me in Houston that the information that the customer brought in is stored in the "Datamark"?

A Yes, sir, there is some information that's stored in it.

Q And, for example, even after a description of an article is printed, you can press the right buttons and brings up on the display what it said?

A I don't understand.

Q I assume you know how to work this?

[67]A Yes, sir.

Q Maybe you can come down and show us.

(Witness stepped down to the exhibit.)

A What would you like?

Q Is it on?

A It looks like it's -- Okay, I --

Q Now the customer had come in and I give you a red dress and and [sic] a blue suit. What would the attendant do?

A He would grab a ticket first thing.

Q A ticket does not have a bar code?

A That's correct. He'd slide it in the machine. He would type in strip tag number, press the "Enter" key and then he would start marking in the clothes. You said --

Q A red dress I think I said.

A Okay. Dress red, enter, and a blue dress.

Q A blue suit I think I said.

A Two-piece blue suit, enter, okay.

Q Each of those items are now printed on the ticket even though we can't see the ticket?

A That's correct.

Q What does the display screen say now?

A It says suit two, blue, 5.50.

Q If you wanted to check what the first item was, is there a way to bring that up on the display screen?

A Sure. You press the "Clear" key. There's the first [68] item and then there's the second item.

Q Which says --

A Blue suit.

Q I want to see the first item again.

(Witness demonstrated.)

Q And that says dress red?

A Yes, right.

Q If I'm following you correctly, you printed those two items on the ticket, they've already been printed and yet you can go into the memory and bring out on the display screen the description of each of those items?

A It's stored in a buffer until the ticket is printed.

Q But it's there in the memory to be brought up?

A That's correct. There would be no way of getting it otherwise to the printer.

Q That's the point. It goes in the memory as a way of recording on the ticket what the items are?

A Correct.

Q That's what you mean by getting the printer.

Please turn it off.

MR. GRIFFIN: No, please don't turn it off because I'd like the jury to see when you total the ticket and you can't get the information out of it.

BY MR. MALLIN:

Q Total the ticket. Mr. Griffin wants it totaled.

[69] (Witness did so.)

Q By using the memory, the items have been recorded on the ticket?

A That's right. They've been recorded on the ticket.

Q And I think what Mr. Griffin wants to be brought out at this point you cannot pull the description of the individual items out of the "Datamark".

A The "Datamark" right now has no record, has no record of the red dress or the two-piece blue suit.

Q So what you're saying according to your testimony at that point when you printed it out, the red dress and the blue suit left the memory of the computer?

A That's correct.

MR. MALLIN: Is it all right to turn it off now?

MR. GRIFFIN: Why don't we just leave it on?

(Witness resumed the stand.)

BY MR. MALLIN:

Q I put Exhibit 8-B up again which is a blow-up of a sign of a Westview document, right?

A Yes.

Q I assume when that document was issued, you reviewed it back whenever?

A I'm sure I have read it, yes.

Q Now one of the reports shown there -- And this is [70] meant for customers to look at, right?

A Yes.

Q We have it blown up so the jury can see it more easily here but Exhibit 8 is the way it ordinarily exists in the ordinary course of business?

A Yes, sir.

Q And it was meant to be sent to customers so they could read about Westview's inventory reporting system, isn't that correct?

A Yes.

Q Incidentally, Mr. Jenkins, you do agree with me that the Westview system is an inventory reporting and control system?

A Well, I think you're mixing apples and oranges a little bit.

Q Mr. Jenkins, didn't you tell me in Houston that the Westview system was an inventory control and reporting system?

A Yes, but there's --

Q You told me that straight out in those words. I asked you directly in Houston. I came down there to find out what this

case is about and you sat there under oath and I asked you at that time whether Westview's system was an inventory control and reporting system and you told me yes, didn't you?

[71]A Well, there's two --

Q Did you tell me that?

A Yes.

Q Okay. Now --

MR. GRIFFIN: Perhaps you could do --

Excuse me, Your Honor. I object. I think he ought to give the same courtsey [sic] --

THE COURT: Sure.

BY MR. MALLIN:

Q Have you changed your mind?

A Not at all. I haven't changed my mind.

MR. MALLIN: Your Honor, if he hasn't changed his mind, I think we can go on to my questions now.

THE COURT: Just like I did with your client, Counsel, let him finish his sentence. He had a "but" there and I think you inadvertently --

A There's two types of inventory a drycleaner is concerned about. If he doesn't have an idea what it represents in what the inventory is in dollars that's cash and that's represented by dollars on the bottom of each of the laundry tickets, that's the amount of business dollars that he receives for the work that he performs for his customer.

The other type of inventory that he's concerned about because customers will give him a problem if he's [72] not is the items, the individual articles of clothing. That's another type of inventory. If he is not careful with that type of inventory, he has a problem also. The "Datamark"/"Datascan" was designed to take care of the first type of inventory.

Q When we had our discussion in Houston, you knew it was in connection with this patent infringement case, right?

A Yes, sir.

Q And you read the pleadings. You knew what the case was about in general?

A That's right.

Q Although I understand you have trouble with language of patents, I want the record to be clear. In Houston did this happen at the deposition:

"Question: Mr. Jenkins, I want to ask you a number of questions about the inventory control and reporting system marketed by Westview comprised of the "Datamark" XI and a "Datascan". First of all, is it correct that those two pieces

of equipment together comprise an inventory control and reporting system?

"Answer: Yes."

MR. GRIFFIN: Mr. Mallin, could you please tell us what page you're on?

MR. MALLIN: Yes, I'll be happy to. 93.

[73]BY MR. MALLIN:

Q And you answered, "Yes", is that correct and at that point you made no distinctions or discussions of any special meaning or different types of inventory control system, is that correct?

A That's correct.

Q You answered it with a straight yes.

Now on Plaintiffs' Exhibit 8 in it's [sic] normal size form which was sent out to customers to look at, you informed customers, Westview but you read it, and potential customers that the Westview system was America's first choice for inventory control, isn't that correct?

A Yes, sir.

Q And on the back of the form you gave examples of reports prepared, isn't that so?

A Yes, sir.

Q And one of the reports has the title "Inventory" on it. Now I want to make sure we understand this and like television, cross examination isn't for us to have an argument but just so we can understand your testimony, that first says, "List of invoices". Do you see that?

A Yes.

Q And it has a figure under it. What does it represent?

A That figure represents the invoice dollars that the [74] "Datascan" was able to find.

Q And the "Datascan" er -- Where you got that was from the "Datascan"er?

A I got it from the "Datamark". You're talking about the information?

Q The listed invoices. Where did that come from?

A The printout was from the "Datascan".

Q The printout of the report was from which?

A From the "Datascan".

Q From the "Datascan"?

A Right. That report was from the "Datascan".

Q And where did the information come about the number of listed invoices?

A From the "Datamark".

Q Had it been unloaded into the "Datascan" yet?

A In order to get that report, it would already had to have been done at that time.

Q Do you mean unloaded?

A It would have to have been loaded into the "Datascan", yes, sir.

Q So the invoices are listed by pressing the keys and they go into the "Datamark" and then they're unloaded into the "Datascan"?

A At some future point, yes.

Q And what I'm trying to get at is those listed [75] invoices at that time all represent the dollar value of all invoices that have been put into the "Datamark" whether they're present in the "Datamark" or the "Datascan", is that correct?

A That list of invoices is the list -- It's the dollar inventory that was found by the "Datascan" as you went through the plant and wanded all the tickets.

Q Could you do that wanding at the point where the customer is taking the orders back?

A When the customer comes to pick up their clothes?

Q Yes.

A It wouldn't have any value. It would have no value at all.

Q My question is could it be done?

A I suppose so.

Q Is that one way when the customer comes to pick up the clothes that you take that particular transaction out of the "Datascan" or "Datamark" by wanding it out when the customer picks it up?

A It might be done that way.

Q Or the attendant gets a batch of invoices and wands them out?

A Right.

Q On this particular report, this is what's listed by going through and finding out what's hanging on the racks [76] or wherever to find out what's listed?

A The key word is "wherever". I'd have to be anywhere in the drycleaning shop.

Q Now the next line is "Extra invoices". How does the Westview system determine that there are extra invoices?

A Well, as you're wanding invoices, if you found an invoice, you'd wand that invoice, you'd wand the bar code on the invoice and then the "Datascan" would beep to tell you that it could not find that invoice so at that point you'd have to take the ticket and then wand in because there's a

little keyboard on the "Datascan". You'd have to wand in the amount of that ticket and that's the number that's represented there.

Q Now the next item is the missing invoices. How does the Westview system find the missing invoices?

A Well, since the "Datascan" is loaded up with these invoice numbers and ticket totals and as you've gone through your entire plant and wanded the invoice, the bar coded invoice, then if it cannot find an invoice that the "Datamark" says is there, it will flag it at least in the computer and then when it does the printout, it will find all the flagged invoices and print it out.

Q Is it fair to say that the computer compares the information obtained by the "Datascan" with the information in it to determine whether something is [77] missing?

A Okay. That's confusing because the "Datamark"/"Datascan" system is actually two computers. There's the "Datamark" is a computer and the "Datascan" is a computer so the actual comparing is done in the "Datascan".

Q But in the computer the comparing is done --

A In the "Datascan".

Q In the "Datascan" the computer comparing is done?

A Right.

Q And the report is printed up of the type you described?

A That's correct?

A So when the system is used this way, it's not necessary for anyone to do it manually?

A No, it's not. That's what it replaces.

Q And then on missing invoices I see the first one the 7.98 I assume is $7.98?

A Yes.

Q And then the zero, zero, two, seven, five is what?

A That's the invoice number.

Q That would be the invoice number represented by the bar code on that invoice. By this system the "Datascan" has looked at the bar code, made the comparisons you have described and then the report prints out the missing [78] invoice number and the dollar amount of that invoice, am I correct?

A That's correct.

Q And it goes right on another invoice dollar amount and so on and then it comes up with the total of the missing transactions?

A The missing invoice.

Q The invoice represents a transaction, doesn't it?

A Not really.

Q Then on this the invoice is totaled.

Just so I'm clear, the Westview system can detect the additional invoices and the missing invoices and put that report out?

A Yes.

Q And it does not tell you which particular items of clothing are in the transaction are represented by the invoice?

A No.

Q The Westview system does not have individual bar tags attached to the individual item of clothing?

A It doesn't have any tags of any kind attached to the clothing.

* * *

[79]Q The other two reports we covered but the one on the left is a report of invoices removed?

A Yes, sir.

Q Is that referring to when the customer comes in to move - -

A It's whenever an invoice is left at a drycleaning shop.

Q And which of the two pieces of equipment prints out this, the "Datascan"?

A The "Datascan".

Q What period does this report cover?

A It could be at any time.

Q So up to that point?

A Correct.

Q And the middle report invoice listing, that's printed out by the "Datascan" also ?

A That's correct.

[80]Q What period does that report cover?

A It's variable. It depends on what date you're requesting it for.

Q If you requested it as of a particular time, could you get it up to that time?

A No. It would be by month and day.

Q Any day that you wanted it you could get it.

A If it was in the memory.

MR. MALLIN: That's all I have, Your Honor.

THE COURT: Thank you.

MR. GRIFFIN: Your Honor, very briefly.

REDIRECT EXAMINATION

BY MR. GRIFFIN:

Q Mr. Jenkins, just for trying to explain the middle report, and I think it's unclear as to how you get that report, what period of time it covers and what it represents so if you could just tell that to the jury please?

A The invoice listing has a list of the invoices and the dollars associated with that invoice and it represents whatever those invoice numbers and dollars that were transferred from the "Datamark". If you -- Let's say you opened -- If you opened up a brand new store and had no invoices or no clothing and started accepting clothes, that -- and you left that invoice running without taking [81] out any invoices, removing any, that invoice listing would just keep running. It would be just adding to the invoice listing by invoice number and dollar amount so it represents the invoices that have come into the drycleaning shop through the listing machine minus any invoices that have been removed at some point.

Q You said that in response to one of the questions from Mr. Mallin that an invoice does not really represent the transaction. What did you mean by that?

A Well, it's my understanding that a transaction has to involve articles of clothing. If you don't have at least one article of clothing, you have no transaction.

Q How much information can the "Datamark" itself store?

A The System III "Datamark" has 2,000 bytes of memory available for storing invoice numbers, ticket totals.

Q That's called two kilobytes?

A Two kilobytes, exactly.

MR. GRIFFIN: Thank you.

RECROSS EXAMINATION

BY MR. MALLIN:

Q Just one thing, Mr. Jenkins. In the ordinary course of running a drycleaning establishment, when you use a "Datamark" and print a ticket, have an invoice without transaction, it has one or more articles of clothing for that transaction?

[82]A Yes, sir.

Q You're raising a point and theoretically there could be an invoice without having articles?

A No. There would not be an invoice without articles.

Q When you go through here, do you print the bar code and you have the invoice, you have articles?

A That's correct.

Q And there's a number in that, number on that invoice which is readable and it's in bar code and that's what can be referred to in the various steps and reports where you can locate or try to locate that invoice through the number and bar code?

A That's correct.

Q And the invoice has articles associated with it?

A That's correct.

MR. MALLIN: That's all, Your Honor.

MR. GRIFFIN: Thank you, Mr. Jenkins.

THE COURT: Thank you, sir.

(Witness excused.)

MR. GRIFFIN: Your Honor, at this time we'd offer into evidence Defendants' Exhibit 32, which is the certified copy of the file wrapper for the original patent, Defendants' Exhibit 4, which is the certified copy of the file wrapper for the reissue patent, Defendants' Exhibit 76, which contained the prototype printout Mr. [83] Markman identified and, Your Honor, Defendants' Exhibit 3-A and Defendants Exhibit 4-A which are blow-ups of portions of the patent.

At that point, Your Honor, on the issue of infringement, we rest and renew our Rule 50 motion.

THE COURT: I'll defer on that.

MR. MALLIN: Your Honor, I offer Plaintiffs' Exhibit 26 which is a "Datascan" operating manual.

MR. GRIFFIN: He's out of time and out of order but I have no objection, Your Honor.

THE COURT: Same ruling. Without objection it is admitted.

MR. MALLIN: That completes the infringement issue.

THE COURT: Both sides rest on the infringement issue I take it?

Okay. Let me see counsel if I may at side bar for just a moment.

(At side bar.)

THE COURT: I rule as follows on the points for charge. All points for binding instructions are denied at the present time without prejudice. I will charge on the burden of proof and the meaning of preponderance. I will explain as best I can the two-step analysis for infringement. I will describe the dependent and [84] independent claims. I will explain the doctrine of equivalence. I will explain the doctrine of file wrapper estoppel without using that name. I will cover the substance of all of the points which you've submitted on

those subjects in my own words and I will use standard instructions on expert testimony, the role of the jury and credibility.

* * *

MR. MALLIN: May I ask, first of all, I take it [85] our particular points have been rejected.

THE COURT: I'll cover them in substance but I'll use my own words.

MR. MALLIN: I want to be sure I have my objection on the record.

May I ask a couple of questions?

THE COURT: Certainly.

MR. MALLIN: Will you instruct the jury that the way to measure infringement is to compare the accused device to the claims patent?

THE COURT: Yes, sir, in substance I will. The doctrine will get across though.

MR. MALLIN: In substance you will also explain you do not measure infringement by comparing the accused device to preferred embodiment or commercial embodiment?

THE COURT: In substance I will. I'll use my own words.

MR. GRIFFIN: If the issue of interpretation of the patent which is to be judged against is a question for the Court, are you going to instruct them on the scope of the patent?

THE COURT: I'm going to explain it as best I can basically using the terminology in the patent but attempting to simplify it and and [sic] interpret it so it's understandable in eliminating some of the jargon but [86] essentially going by those claims.

MR. MALLIN: Your Honor --

THE COURT: I'm sorry. I didn't mean to walk away from you.

MR. MALLIN: We're going to start the argument right now?

THE COURT: I think so. Yes.

(In open court.)

THE COURT: Okay. We've now concluded the presentation of the evidence on this stage of the case and the next stage of the case is that each of the lawyers has an opportunity to argue his position and summarize his position for you. Under our rules, the plaintiffs' attorney goes first, the defendants' attorney goes second and then the plaintiffs' attorney has the right of the third speech.

Don't worry about all the exhibits. We'll send them all out to you at the conclusion of the case and you can look at them to your heart's content and I will also after all the

speeches are done explain to you the law which will be binding upon you for purposes of the case. And the next stage will be to listen to these very able lawyers sum up on this phase of the case which they will now do.

Is plaintiff ready to close?

[87] MR. MALLIN: I think I need to check where some of the exhibits are.

(Pause)

THE COURT: When I say exhibits in the case, ladies and gentlemen, the question that you will have to answer is do the products manufactured by defendant Westview infringe any of the following claims of plaintiff Markman's patent and then you will answer yes or no as to the three claims at issue in the case which are Claim No. 1, Claim No. 10 and Claim No. 14 and you will have in the jury room with you the Plaintiffs' Exhibit No. 1 and that will contain the three claims that I have referred to and then you will keep an open mind, of course, until you've heard the lawyers and until you've heard my instructions as to the law and then you'll talk it over and make your decision one way or the other with regard to those three claims.

MR. MALLIN: May it please the Court, ladies and gentlemen of the jury.

This is summation and the summation only on the infringement part. Plaintiffs respectfully submit to you that the evidence shows that Westview Instruments' inventory and control system comprised of the "Datamark" and the

"Datascan" infringes Claims 1, 10 and 14 of Plaintiffs [sic] Exhibit No. 1, Mr. Markman's reissue patent.

[88] Up until this point you haven't, although you've seen blow-ups, you real [sic] really haven't had an opportunity to look at the patent in detail and I recommend that to you when you go into the jury room for your deliberations on the infringement issue to determine whether the plaintiffs have proven infringement by a preponderance of the evidence. Remember when we had an opening statement, we were dealing with other issues. We talked about other issues that had to be proved by clear and convincing evidence. That's not so on infringement. The question is whether plaintiffs have have [sic] proved infringement by preponderance of the evidence.

I respectfully submit to you that you can return that infringement is clear. You can go in, you look through the patent. The patent has certain information on the front. It has drawings and specifications and it has something called the preferred embodiment and that has been explained is simply setting forth one way to practice -- that's what lawyers use -- practice the invention. It does not give you the scope of the claim. It gives you one way to practice the invention and it can give options.

For example, this patent says over and over again, over and over again [sic] that you can have an inventory control system that deals with the transaction that has [89] articles associated with it, that the ticket is associated with the transaction, associated with the batch if you will and you find this patent uses the word "batch" or you can do it by individual articles by keeping track of the particular dress or

a suit. You can do it one way or the other then you come to the claims and there are 15 of them in the reissue patent. It's important to note the plaintiff says Westview has infringed three of those claims: 1, 10 and 14. We do not claim that they have infringed all of them nor do we have to claim that they have infringed all of them. Infringing one is enough to create liability for infringement. We claim that they have infringed three of those claims and that's determined by measuring the accused Westview system against the claim, not against a Mr. Markman option or some alternative way of doing it in the preferred embodiment which is the way to get it in the public domain. Everything gets in the public domain except the claims from the beginning and even the claims go in the public domain afterwards. That's what makes our patent system so important to the progress of science and the useful art and I tell you if those patents can't be enforced, then they can't serve that purpose and the trouble with this case is that defendant has been busily proving that the defendants do not infringe Claim 5 and 6.

[90] See, Claim 5 says the system of Claim 1 that means you've got to have what's in Claim 1 but then it goes on and adds some things: "Wherein the written record has multi separate -- written parts concurrently including an establishment ticket and a plurality of tags, at least one of the tickets and tags having a bar code printed thereon and each tag being detachable from the written record for direct association with at least one of the customer's articles".

So there is a tag on an individual suit. That's something that's in addition to the rest of Claim 1. The size -- Then it goes on.

It would be complete foolishness frankly to think this requirement was back in Claim 1. There wouldn't be any point in adding 5 if that's what Claim 1 meant and the specification says batches are individually. And Claim 6, the system of Claim 1, "Wherein the data input device is a keyboard and the printer is operable to generate tags for direct attachment to article comprising textile materials, the article being pieces of drycleaning".

That's something in addition to Claim 1. Claim 1 only requires -- only deals with the transaction with the articles associated with it. It uses the word "is" on articles. It doesn't require in that claim that there be [91] a written record, a tag or whatever you want to call it on the individual items of equipment.

So while defendants have successfully proved that they do not infringe Claims 5 and 6, that isn't in issue. We never said they infringed Claims 5 and 6. We never said that they attached tickets to individual articles of clothing.

Now we brought to you a technical expert who explained how their system works so you can see how it prints out, you can see how the description of articles are put in memory in order to record just like the claim says and the rest of it to go through. We brought a technical expert to explain that and then we brought a patent expert to read -- this is the way patent law works; it may be a strange way of saying it -- to read the claims on the accused system and he went through the claim item by item which you'll be be [sic] glad to hear that I'm not going to insist upon repeating but he went through the claim item by item to show how that claim reads on the Westview system, the Westview system

as explained in their operating manuals, their brochures and their equipment, all that information came from them and it was explained further by the technical information and our patent expert, a man with immense experiencec [sic], with immence experience has taught law in an excellent law school, [92] understands what is being done, laid that out very clearly and capably and correctly that shows that the Claim 1 reads on the accused system, so does Claim 3 and when you look at Claim 4, it's obviously without a doubt they all read on the system. He was the only witness that you heard in this courtroom who had that kind of experience, that kind of background and that kind of knowledge to read these claims on the accused system. No opposing expert was presented on that. No expert testified for the defendant.

Mr. Jenkins, who is involved in this, gave some testimony on the system indirectly working claim interpretation into it what's an inventory, what's this expecting I take it that you're going to take that back to the claim language but he didn't try to deal with the claim language because he had already testified at his deposition that he has trouble knowing what that means and I'm not criticizing him for that. I mean it's an area of expertise. He has trouble with it so the effort for him to indirectly read the claim, in all due respect, I do not think is entitled to weight but so you have clear-cut testimony from an expert reading the claims, a clear-cut opinion that the accused inventory control system Westview infringes the patent. I respectfully suggest to you that there's no way that that testimony coupled with the other [93] testimony doesn't meet up with to show that these three claims were infringed.

I mentioned to you about the preferred embodiment of the patent which is helpful to go and see what the possibility is but doesn't measure the claim, and, incidentally, the Judge will instruct you that you determine infringement by comparing the accused system to the claims and you do not determine infringement by comparing the accused to the preferred embodiment and you do not determine infringement by comparing the accused system to a commercial embodiment. The fact that Mr. Markman had a number of ideas of what could be done which found their way in their differing claims which deal with specific things just simply means that a defendant infringed one claim but not necessarily all claims. It's not any afterthought for litigation that Claim 1 deals with batches of tickets. The best interpretation and clear interpretation right on -- where it says here: [sic] At least a part of the record, written record to be attached to said articles" -- articles with an "s". To be attached. To be attached doesn't mean attached at a precise moment. Here it is attached to the articles, a batch and in the specifications, it says that any -- he says that any number of times to show it could be done one way or the other, Claim 5 has it the one way and Claim 1 [94] covers the batch. The specifications say the optical scanner reads unique bar codes associated with articles or batches thereof".

Another place it says, "Written records are produced and may be attached to garments".

It goes on another place and talks about individual articles in inventory or for a group of articles in inventory.

The system relies -- I'm quoting from the patent -- "The system relies on the bar code indicia or associated with

articles or batches" and and [sic] that's not the end of it. I don't want to just continue on and on with it so at this point I just simply submit to you based upon the clear-cut evidence of the accused system, it is clear that the claim has been satisfied.

Let me touch on one other point that started out as important and I think it rapidly diminished. "A data processor including memory operable to record said information and means to maintain an inventory report". This is important language. An inventory is maintained and a dollar inventory is clearly maintained. The memory operable to record said information is said very precisely and we saw that a couple of times right in front of us the keys fit the description of the articles in the memory. It's printed out and it's still in the memory until the [95] ticket is finally printed out then there seemed to be some disagreement whether it's accessible or not. That isn't the point. The point is the description of the articles was not contained in the memory until the customer got the material back. There's no reason to do that when we're dealing with batches so that that language it's just like it was drawn to the "Datamark" system. The data processor with memory operable to record said information and memory is operable to record the information on the ticket and the ticket has the list of the individual articles so under Claim 1, Claim 5 is different. Under Claim 1 we have the list of articles on the ticket. It's not required that the articles have tags on it and you follow it all the way through some concept of tracking.

Incidentally, when you read these claims, you won't find the word "tracking" any place. The claims deal with what they deal with. Remember Mr. Chovanes talking about

claims drawing an area, drawing an area and and [sic] if an infringer comes in that area, he has even infringed the patent.

I just want to say one or two other things and I'm going to stop at this point. There was a suggestion -- It's sometimes said that Westview is a small company so maybe it's okay for them to infringe. Of course, that's not the way it works but not only that, Mr. [96] Markman is a small company. He worked by sweat to develop this company. He tried to develop the business. It's gone from three to seven employees over the number of years. He made the invention. I'm not saying to you that you ought to decide in his favor because he's a small businessman but nor should you decide against him because allegedly Westview is a small company. What we should decide and where we are right now is whether this accused system infringes Claims 1, 10 and 14 and when you go to the jury room, you need to look at all three of those claims and I earnestly submit to you that you ought to hearken back to the testimony of the one person that testified who had done this any number of times, who's compared claims to accused devices and knows how to do it and accept his testimony as well as all the other evidence and arrive at a verdict that Westview has infringed Claim 1, infringed Claim 10 and infringed Claim 14.

You don't even have to render a verdict on Claims 5 and 6. They're not going to be submitted to you. The evidence very clearly established that they didn't infringe them. Nobody ever contended it and most of the case we were busy trying to determine whether Claims 5 and 6 are infringed. Look at those when you go back in the jury room. When you see what those mean, what it takes to infringe

those, you'll know that Claim 1 means what the [97] patent expert said it means and the way he read it on.

You can see I have a certain amount of enthusiasm. I've got to watch it. I'll be here for the next couple of hours telling you and telling you and the years during my -- as a student I learned you can only absorb so much while sitting there. I'm going to restrain my enthusiasm.

Thank you and I'll ask you to make a decision in favor of my clients and with that, I'll take my seat. Thank you.

MR. GRIFFIN: Members of the jury, I told you when we started this case that I thought it would come down to couple of very basic points and one of them was this "Datamark" just doesn't have the memory and the capability to do what this patent claims to do.

It's very interesting to me that after I told you that, we went and heard a tortured, tortured reading of the claim. Judge Katz is going to instruct you as I understand it, on the meaning of the other patent but when you go and compare this device to the claim and you take a look at it, you're going do see a lot of things and let's just go back for a few seconds and see what it is. What is it that we have to deal with?

There are a lot of reasons why the Westview "Datamark"/"Datascan" unit doesn't infringe but you only [98] need to look at a couple. It doesn't have memory operable to record. Now we all heard that record only means print out on the ticket. I suggest to you when you take a look at the patent and you listen to the Judge, you'll find -- and

you read this as you go along, you'll see that that doesn't mean just print it out on the ticket. We don't start talking about a ticket, the written record until you get further down in the claim. It's quite obvious that what this claim is dealing with is a computer system which is capable of keeping track of the descriptions, the identity and descriptions of each said articles which is in the first part of the claim, and you heard that the Westview system doesn't do that. The Westview system is an inventory cash control system and the document which has been sitting up on the easel in front of you for the last couple of days says that -- I'll find the exact reference to it on here -- I've got it underlined on my copy. Maybe I'll look at that and come back in a second.

It gives you complete cash control using a simple cash register. You have a record of paid invoices. It speeds up the process of taking a machine inventory. It doesn't maintain an inventory. It doesn't have the ability to go ahead and identify the spurious -- detect and localize spurious additions to the inventory, that is, it can't tell you whether something has been taken out of [99] one place or another. It's not designed to do that. The system just doesn't read on the patent no matter how hard Mr. Chovanes tried to make it. We went through a number of things and some of the examples I made with him: Doesn't this look like a typewriter and couldn't this be a smart clerk. That was to show you that you can take language and try to make it meet any kind of situation here.

The key to the whole thing is it doesn't track articles of clothing through the drycleaning system. It doesn't have the ability to do a number of things that Claim No. 1 says it has to do. Yes, it has a bar code reader. A bar code reader is

not physically attached to the unit. Yes, it gets some information back and forth but the "Datascan" never gets told what the description of the articles -- excuse me -- the identity and description of each said article associated with the transaction. It doesn't create a report of said total and said transactions, then the phrase which Mr. Chovanes tried to read out, the unique sequential indicia and the descriptions of the articles in the sequential transactions. It just doesn't do that and when you go through each of these, you'll see that the system does not infringe and you'll hear from His Honor that before you can find that it infringes that as Mr. Chovanes says, [100] each and every element of the patent in suit has to be present in the accused device and you'll hear that and it just simply isn't there.

Mr. Mallin suggested that you go back and you take a look at the patent. I think you'll find that very interesting. We referred to a lot of places in the patent and we saw people trying to get away from the concept of clothing as inventory for this system as opposed to it being a cash inventory system. The Westview system is a cash inventory system. The claim covers something which can be both but it does itself have to have individual descriptions of clothing and could be in batches but it has to have the description there. There's no way of determining whether someone has taken a shirt out of an order or not and again you'll see that when you look at the patent look -- see what the patent means.

I'm not surprised that Mr. Chovanes, as nice a man as he is, came in here and testified this was infringement. That was his job. He's an expert. He told you he was being paid and he was being paid by the hour to come in and testify.

You heard from the other expert, Mr. Mikula, who told us what the "Datamark" did or didn't do. I was pleased to hear that. He also had a business relationship with Mr. Markman and Mr. Markman just wouldn't, wouldn't [101] address the question of: Did you have descriptions of articles tied to this invoice? He wouldn't do it. He kept going around when he tried to explain why his system wasn't the same as the earlier system and you'll recall I used the deposition with him at that time. He said it was because it didn't have individual items of clothing in an inventory and another thing that people haven't pointed out to you which is very interesting: In Dependent Claim 7, which isn't involved in this lawsuit, it says the system of Claim 1 adapted for specific use in a drycleaning establishment the optical scanner. Now they're going to add more optical scanners along a sequence of retail drycleaning operations. They're going to put them around more places and the indicia and description of articles being reconciled -- They know the system Claim 1 has a -- What they're doing is they're saying they're going to add more optical scanners around the system to be able to find these descriptions of articles of clothing when you get to Claim 7 and you can't get the description of the system from the Westview system. It doesn'to do the same thing.

Now I know at this point that I'm probably covering a number of things which you've heard and you've heard way too much and I don't want to go back and go over the evidence you've heard from everyone. I do very much [102] want to thank you for listening to it all and especially for putting up with me when I was getting a little exasperated with Mr. Chovanes. I was at that point trying to go through claims which is one of the things you'll have to do when you

go back in the jury room and I'm sure when you go back and talk this over, you'll find that the system doesn't infringe and one thing His Honor Judge Katz will explain to you is the burden of proof in this case. It is the plaintiffs' burden of proof in here to show you that the "Datamark" does infringe. We believe we've gone a step further and shown you that it doesn't. That isn't our burden here.

I thank you very much and I feel very confident when you deliberate that you will determine that the "Datamark" does not infringe any of the patents in suit.

MR. MALLIN: I'll try to be brief. I have only a couple points to make.

It's one of the saddest things about our litigation process that when there's no answer in the evidence, we all too often make personal attacks. Mr. Chovanes didn't deserve that. Mr. Chovanes, I'm sure you saw, is a high-level person. Sure he consults and he gets paid for his work but he doesn't get paid for his conclusion. What a cynical view of a man who's been a professor at law schools. He's asked to make a study. He [103] gives his conclusion. If the person that hires him doesn't like his conclusions, what is the reason for that? The reason for that. There's no -- Unless you're going to dismiss him by a personal attack. I plead you not to do that. That's not what we're about here.

And then he made an attack on Mr. Markman who made the invention. Mr. Markman was trying to explain to you in answer to questions that there aren't these options to every invention and as you look at these claims in the patent, you'll see they're all there.

Summation by opposing counsel over and over again demonstrated the problem. There must be all this memory because you're trying to keep track of the individual articles like you do in Claims 5 or 6 but look at the specifications. Look at the patent and that's not required for Claim 1. It's simply not required. It's circular reasoning. The accused system cannot infringe because it keeps -- doesn't keep track of the individual items but then when you look in Claim 1 and Claim 10 and Claim 14, it doesn't require that the individual items be kept -- that you tag them. That's Claims 5 and 6. Why would we have 5 and 6 if 1 and 10 -- So you see the circular reasoning and I leave you with one final thought.

We're asking you to find in favor of my clients. You go back to the jury room and you read Claim 1 and you [104] read Claim 10. You read Claim 14 and you look to see if you see the word "track". You won't find it. You look to see if you see the words "individual articles, tags attached to". You won't find it. You look in the specifications and see whether the overall vendor understands that it can be batches and it can be individual articles and you will find that over and over again and then if you look at Claims 5 and 6, you will find that those claims deal with the individual articles and so when you cut the circle and approach it the way the Judge will explain and compare this accused system, compare this accused system to what Claim 1 covers, not what Claim 5 covers or what Claim 10 covers and what Claim 14 covers, I think the conclusion will be clear to you. We only bear the preponderance of the evidence. I think the conclusion of infringement of Claims 1, 10 and 14 are very clear to you. I implore you cast the personal attacks aside,

look at the facts of the law and come in with a verdict for my clients.

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Trial Testimony of September 27, 1991 -- Volume III

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[2] MR. RYAN: Your Honor, this instruction in essence, removes the jury's interpretation of the testimony that was received as to the elements of the patent claims. It attempts to go down and list the elements and make it into a fact, an instruction from you when in fact that's for the jury to decide. As to what, for example, the memory, Your Honor, that is incorrect.

THE COURT: Point out to me what you're saying.

MR. RYAN: It does not infringe the patent on the inventory total. It takes away the discretion of the jury.

THE COURT: I'll have to ask you what is wrong with that. Show me where that's wrong on the Claim 1 that's quoted here. Do you object to the words "and means" because the data processor including memory is able to record, etc. seems to be in there.

MR. RYAN: I wouldn't have any problems with the Court instructing the jury that the system must have a data processor including memory operable to record.

MR. GRIFFIN: The basic problem with it, Your Honor, is that this is an overly vague and ambiguous [3] claim. It's the Court's obligation to interpret to the jury what does it mean.

MR. RYAN: Your Honor, if I may, if we can go back to the patent claim if the Court would note that the data processor only requires memory to record said information --

MR. GRIFFIN: That's a simplistic approach that they've taken throughout this case by separating things and take it apart. If you take a look at the entire patent especially something like Claim 7 where it talks about in the description of the articles, it's clear from the entire patent their system must have information stored in the memory so it's been able to reconcile it to generate the reports and everything down the line and when they try to break it out into tiny pieces, it doesn't work.

MR. RYAN: That's essentially asking for a directed verdict. That's just one example of this thing is one of the defense's problems. They're --

THE COURT: What's the next point that you have?

MR. RYAN: This in particular, Your Honor, "system which does not have memory operable to record and store." That's inaccurate.

THE COURT: Is the word "store" used in the [4] claim? That's all I'm asking you.

MR. RYAN: No, sir. It's not.

MR. GRIFFIN: The word "store" is not used in the claim and in the description in the specifications they specifically use the word "store".

THE COURT: "Memory operable to" -- Okay. What's the next point?

MR. RYAN: And later use, it has nothing to do with it, Your Honor.

THE COURT: Is the later use covered in the claim?

MR. RYAN: Not ours. That's the point.

MR. GRIFFIN: I submit to you it is covered because of the language that's used and the way you interpret that language as against the defendants' claim --

THE COURT: What's the next point that you have?

MR. RYAN: Articles of clothing as Mr. Chovanes --

THE COURT: What does the claim say?

MR. RYAN: Articles.

THE COURT: What's the next point you have?

MR. RYAN: I need a moment to look at it.

THE COURT: I'm giving you the moment. I was just handed it too.

[5] MR. RYAN: The claim doesn't say anything about fixed.

THE COURT: Okay. What the next point?

MR. RYAN: I don't understand -- This has got to be a typo of some sort.

MR. GRIFFIN: There's a typo here.

THE COURT: "Therefrom". Okay. I've got it. Thank you.

MR. RYAN: Excuse me, Your Honor. I apologize. I need a minute to look through this.

Is the Court intending to read any of this?

THE COURT: Just go down to the substantive objections that you have to the point -- I think you're down to the last paragraph.

MR. RYAN: I apologize. I'm bouncing around.

I disagree with this entirely, the language of interpretation.

THE COURT: Don't quarrel about that, Just deal with the last paragraph if you would.

MR. MALLIN: Your Honor, our problem is it just takes certain things out and gives undue emphasis. For example, the claim has a printed bar code coincidental with the transaction. That's there but --

THE COURT: Can I just finish with him, please?

Was there something else, Counsel?

[6] MR. RYAN: Yes, there is, Your Honor. I apologize for my delay.

THE COURT; That's all right.

MR. RYAN. Your Honor, instead of this sentence, why can't we just read the claim -- "must" is pejorative that we don't need to add. I don't understand --

THE COURT: Can you just tell me what part of the last paragraph you object to?

MR. RYAN: That it must be able to detect and localize illegitimate --

THE COURT: But that's what the last paragraph says doesn't it?

MR. RYAN: It says "can" detect and localize. It doesn't say "must".

THE COURT: I understand. Thank you.

MR. RYAN: And this cash inventory, actual physical inventory, Your Honor, we strongly object to that. That's argument of counsel.

MR. GRIFFIN: I believe that's an interpretation.

THE COURT: Okay. Thank you, gentleman.

(In open court.)

THE COURT: This is the moment I'm sure you've all been waiting for, right? Wrong.

This is my opportunity to speak to you and [7] explain the law which you must follow in carrying out your obligations as jurors.

Nothing that I say should be taken by you as an expression of my opinion on the facts. The facts are solely within your province and you call them as you see them.

The record on the facts is now closed on the issue that you have before you in this phase of the case.

It wouldn't be fair to ask: What about this fact? What about that fact? It's either in the record at this point or it's not. If it's in the record, then we rely on your recollection of what the testimony was and what the exhibits show. Be confident in relying on your memory. If it's not in the record, we can't reopen the trial in fairness to both sides. We'd have to resume the trial on this phase. We'd have to give the plaintiff an opportunity to present information about the facts that are missing. We'd have to give the defendant

an opportunity to present information about what's missing. We'd have to give both sides an opportunity to argue about what's missing and that is why the record has to be closed at a certain point or the trial would never end.

The plaintiff, that's Mr. Markman and his company, have the burden of proof. In answering the question that you have before you, "Do the products [8] manufactured by defendant Westview infringe any of the following claims of plaintiff Markman's patent?" and then I list the three claims which are in dispute which I'll explain to you and you'll say yes or no as to the three claims, it is Mr. Markman and his company which have to establish all of the elements which I will give you necessary to prove infringement. If they haven't proven to your satisfaction one of those elements, they lose the case because the plaintiff has the burden of tilting the scales in its favor by a fair preponderance of the evidence.

Now the scales can tilt slightly or otherwise in the plaintiff's favor and if plaintiff has satisfied you by a fair preponderance of the evidence that there was an infringement of the claims by Westview, of course, the plaintiff wins but if a fact is missing or if the credible evidence does not persuade you of one of the elements that I will describe necessary for the plaintiff to win, then your answer should be no to the particular question about the three claims. When I say persuade you by credible evidence, your main task is to use your common sense and I know you've listened. You've listened carefully to the evidence in the case. You've seen the witnesses and you make your own judgment based on the years of living, the relationships you've had, the dealings with people as to [9] what is the truth and that's

your task. You are truth seekers. You have no axe to grind. You are not partisans. If you get stuck, just say: What is the truth? Who is telling the truth? And all of the tests of common sense in judging credibility may be applied by you. What was the witness's demeanor on the witness stand? Was the witness evasive in answering the questions? Was the witness straightforward in answering the questions? Did the testimony of the witness be he an expert witness or an ordinary fact witness make sense and the law trusts you and you alone to make that particular judgment. I have absolutely nothing to say about whom you believe and what you believe. These two parties stand equal before the law. You have heard their case on this phase and you simply call it as you see it.

Plaintiff is claiming damages for infringement of a patent. They call that the patent in suit which the plaintiff owns. The defendants deny that there was an infringement of the patent by the defendant corporations. Once a patent is issued, the law confers upon the owner of the patent the right to exclude others from making, using or selling the patented invention throughout the United States for a term of 17 years, thus, infringement of a patent occurs whenever any person without authority makes, uses or sells the patented invention anywhere in the [10] United States during the 17-year period. The disputed issue for your decision is whether the plaintiff has met its burden of proving by a fair preponderance of the evidence that the Westview products infringed those three claims that I will explain to you in more detail.

Now I'm going to take a drink -- I assure you it's water -- before I go into the explanation of the three claims.

Please don't worry if you don't remember everything because you will have in the jury room with you Plaintiff's [sic] Exhibit No. 1 and that exhibit will set forth the claims that are in dispute in this case. This is what it looks like. It's marked at the bottom, Plaintiff's [sic] Exhibit No. 1, and you will have that and you will see what is claimed is so on and so forth and you'll see in there a Claim No. 1 in the next to the last page and a Claim No. 10 on the last page and a Claim No. 14 which is in a slightly different kind of type so don't worry, you'll have that and you can look at it and study the document to determine the language that the claim uses or the claims, I should say, use.

Claim No. 1 is for an inventory control and reporting system comprising a data input device for manual operation operable to encode information relating to sequential transactions each of the transactions having [11] articles associated therewith, said information including transaction identity and descriptions of each of the articles associated with the transactions.

Claim No. 1 for the inventory control and reporting system also comprises a data processor including memory operable to record said information and means to maintain an inventory total, said data processor having means to associate sequential transactions and to generate at least one report of said transactions, the unique sequential indicia and the descriptions of articles in sequential transactions being reconcilable against one another. That's No. 2.

No. 3. Claim No 1's inventory control and reporting system comprises a dot matrix printer operable under control of the data processor to generate a written record of the

indicia associated with sequential transactions, the written record including optically detectable bar codes having a series of contrasting bands, the bar codes being printed only in coincidence with each said transaction and at least part of the written record bearing a portion to be attached to said articles and at least one optical scanner connected to the data processor and operable to detect said bar codes on all articles passing a predetermined station, whereby said system can detect and localize spurious additions to inventory as [12] well as spurious deletions therefrom. That's claim No. 1.

Claim No. 1 defines a system that "includes a data processor or computer which has sufficient memory to record information about sequential transactions and which also has the means or ability to generate at least one report of inventory total and transaction totals in which the unique sequential indicia or invoice number and the descriptions of articles in the sequential transactions can be reconciled against one another.

A system which does not have memory operable to record information about those matters that I've described including memory operable to record the information including the descriptions of articles in the sequential transactions being reconcilable against one another does not infringe the patent in suit.

The claim also defines a system in which the data processor or computer has the memory which I just referred to and the means to record an inventory total. Further, the claim defines a system which has at least one optical scanner connected to the data processor operable to detect bar codes on the articles of whatever they are that pass a

predetermined station. A system which does not have that does not infringe this patent. The claim is of an inventory and control system which can detect and localize spurious -- that is to say incorrect or [13] illegitimate -- additions as well as deletions from inventory. That is Claim No. 1 and what it means. Mercifully the other claims I will be able to cover much more briefly.

Claim No. 10 is called a dependent claim. Claim No. 1 and Claim No. 14 are what are called independent claims. I'll explain those two notions to you. An independent claim does not refer to any other claim of the patent. An independent claim must be read separately to determine the scope of the claim. A dependent claim incorporates all of the limitations or words of the claim as to which the dependent claim refers.

An [sic] dependent claim includes all of the language in the claim or claims from which it directly or indirectly depends. If you find that the claim on which it depends is not infringed, then you cannot find infringement of the dependent claim. As applied to this case, if you find, for example, that there's no infringement of Claim No. 1, then you cannot find an infringement of Claim No. 10 because Claim No. 10 is a dependent claim. Claim No. 10 is a keyboard having keys specific to a plurality of common attributes of the articles.

Claim No. 14 -- I have finished with No. 1 and 10 now. We're up to 14 -- is an independent claim and [14] Claim No. 14 is an inventory control and reporting system comprising at least one optical scanner operable to detect bar

codes on all articles passing a predetermined station. That's Claim No. 14.

That's all you need to know for the moment about what the claims mean. You can refer to the specific language if you don't remember my use of it. It's not a problem for you to do that.

Before Westview's system can be found to infringe the patent claims in suit, the accused Westview system -- they just use that terminology, accused Westview system, because Westview is the defendant that the plaintiff Markman and his corporation sued -- the accused Westview system must come within the scope of the patent claims that I have described to you, that is, the combination of elements that you find recited in the claims of the patent in suit must also be found combined in Westview's system before Westview's system can be said to infringe those claims. Westview's system infringes plaintiff's patent if it infringes one of the claims, that is, if it infringes Claim 1 and if it infringes Claim 14, the two independent claims, or if it infringes 1 and 10 combined or you could find that it doesn't infringe any of them if that's what your decision is.

In deciding the issue of infringement, the issue [15] is not simply a comparison of Westview's system with plaintiff's commercial embodiment or a preferred embodiment, rather, your decision is to be made on the basis of comparing the patent claims as I've explained them which measure the invention with the accused Westview system that's sitting over there and which we've heard so much about.

In order to find Westview liable for the infringement, the law requires you to do a two-step analysis which I will explain to you now.

First, you must determine the meaning of the claims taking the interpretation as I've explained it to you using the relevant patent documents including the specifications, the drawings and the file histories. As you've heard, the file history is the prosecution history, is the record of the communications between the inventor and the the [sic] Patent Office. Also relevant are other considerations that show how the terms of a claim would normally be understood by those of ordinary skill in the art.

The meaning must be of an ordinary and of a custom meaning unless it appears from the file history that the inventor used the terms differently. I have interpreted those terms for you. After you've decided what the claims mean, you apply the claims as interpreted [16] to the Westview productions in question to determine if the claims read on them. That's a term of art that these patent lawyers use and what it means is if the words of the claims cover the Westview product -- Frankly I have never heard that term "read on" but your education and mine have improved considerably with these able lawyers explaining these concepts to us and now I'm sure we understand what "read on" means if we didn't at the beginning of the case.

In doing this, you must consider whether or not claims literally cover the products. Literally cover means that all of the structural elements recited in a given claim and having all of the limitations set forth in that claim are found in the accused products. All such elements and limitations must be

present. In other words, each element of a claim is material and essential and for infringement to be found, every element or its substantial equivalent must be found in the accused product.

Now I used the words "or its sustantial [sic] equivalent" and permit me to go into an explanation of what that means in the jargon. They call that the doctrine of equivalents but the jargon isn't important and the notion I'm sure you will understand when you hear my explanation.

Plaintiffs in this case argue that their patent [17] is infringed by the defendant's products both literally and because of this doctrine of equivalents. Infringement under the doctrine of equivalents may exist if the accused products perform substantially the same function in substantially the same way as to obtain substantially the same results as the claimed invention.

This insures that minor and inconsequential variations in an element of a patent do not shelter an infringer. What constitutes equivalency must be determined considering the context of the patent and the particular circumstances of the case. It must also be kept in mind that the doctrine of equivalents has certain limits. For example, the doctrine may not be used to support an interpretation that would resurrect or reopen subject matter surrendered or dropped during prosecution by Mr. Markman of the patent application. Also equivalents must be established with respect to the claims of the patent not for the commercial purposes for which the products are used.

In applying the doctrine of equivalents, remember that the infringement requires each and every element of the asserted claims that I've burdened you with in such detail earlier or the equivalent of each and every element that I explained in all of the detail must be present.

[18] One of the limits or restrictions on the use of the doctrine of equivalents is that someone is barred or prevented from taking a certain position because it would be inconsistent with his previous position and it would be unfair to permit him to take a different position now. That simply means that if a patent holder abandoned a contention or point during the application process, he cannot later come back and say that his claim should be interpreted in light of the abandoned subject matter.

The doctrine of equivalents is not to be used to include anything contrary to the limitations expressed to the Patent Office during the application process. This applies to claim amendments to overcome rejections as well as to arguments made to obtain the patent. This means that in deciding what is a substantial equivalent to the literal meaning of the elements of the claim, it is necessary to look at what is in the file history, the application and communication back and forth between the applicant and the Patent Office. You will all have that if you wish to study it in as much detail as you care to.

If the applicant abandoned or dropped the contention or point during the application process, he cannot later go back and claim that his patentt [sic] should be interpreted considering what he originally argued for and later gave up.

[19] He is prevented from later asserting those positions he abandoned or gave up and this applies to amendments made to overcome objections by the Patent Office as well as arguments made by the the [sic] applicant and later abandoned during the application process.

A person may infringe a patent without any attempt to do so if the above-stated elements that I've described are proven by the plaintiff by a fair preponderance of the evidence.

If you decide that plaintiffs have not proven an infringement as to the three claims, that is the end of your deliberations. The case is over. You are discharged and the defendant wins. You would answer "No" to the questions that are submitted to you and you'd notify the clerk and you'd come in and we'd take your verdict.

If you answer "Yes" to one or more of the questions, we will resume the trial and hear the evidence on the remaining issues as to the validity of the patent as well as the issue of the amount of plaintiff's damages and we will hear counsel's arguments and whatever evidence they wish to present on those remaining issues in the case.

Jurors sometimes wonder about how long they're required to deliberate. The answer is that you may take as much time as you need in order to reach a unanimous [20] verdict considering the evidence and the reasonable inferences from the evidence. On the other hand, if you know what your answer is, if you're satisfied from having heard the trial, it isn't necessary to put on a show and take an lot of time. If you know the answer is "Yes", you answer"Yes". If you

know the answer is"No", you answer "No" and we'll take your verdict.

You as members of the jury may not reach a decision based upon speculation, conjecture or guess but may find for a proposition only if there is evidence of that fact or proposition.

In deciding this case, base your verdict solely on the evidence before you and the law as I have given it to you. The law as I have given it to you is binding. You must follow it whether you agree with me or not. But the facts are solely up to you and I have nothing to say to you with regard to the facts. I've tried as best I can not to give you any indication of my view of the facts and you are not the [sic] take any indication about how I think about the facts because they are solely for your determination. I have nothing to say about that.

Discuss and respect each other's views. Your verdict must be unanimous. You would then when you reach a unanimous verdict, yes or no, you see the eight blank lines, you all sign that. You are never to reveal to any [21] person, not even to the Court how you stand numerically before you have reached a unanimous verdict so if you will remain seated for just a moment, I'll see counsel at side bar.

(At side bar.)

THE COURT: Okay. First, the plaintiff, any objections to the charge?

MR. MALLIN: Yes, Your Honor.

THE COURT: Okay.

MR. MALLIN: First of all, we renew our objection to the point being submitted not being granted.

THE COURT: Well, if there's anything specific where I'm dead wrong, just call it to my attention and I'll try to correct it.

MR. MALLIN: The charge indicated in describing Claim 1 that the description, the articles had to stay in the memory throughout the system and the claim doesn't so provide.

THE COURT: What part of the claim are we referring to? Perhaps you can help me. Either side can help me on that issue.

MR. RYAN: Your Honor read verbatim I believe a portion of the instruction which was submitted by defendants this morning.

THE COURT: But where is that issue in the [22] claim, either side?

MR. RYAN: It's in the first element, Your Honor.

THE COURT: If you could just point it out to me --

MR. RYAN: Information --

THE COURT: Data processing --

MR. RYAN: -- including memory operable to record a means to maintain --

I believe the Court's instruction left the impression as defendants requested this morning that articles' descriptions must be maintained in inventory or maintained in memory rather than merely recorded.

THE COURT: (To the jury) Members of the jury, if you'll look at the Plaintiff's [sic] Exhibit 1, you'll see that one of the elements of the inventory control and reporting system comprises a data processor including memory operable to record said information and means to maintain an inventory total, and said information refers back to the earlier part of the claim which is a data input device to encode information relating to sequential transactions, each of the transactions having articles associated therewith, said information including transaction identity and descriptions of each of said articles associated with the transactions.

[23] That's what the claim means.

(Continued at side bar)

MR. RYAN: The Court also instructed the jury with respect to the commercial embodiment issue that the jury cannot -- "simply" is the word the Court used -- cannot simply base its decision on comparison between the accused device and the patent language, Your Honor.

Your Honor, a commercial or preferred embodiment is all irrelevant in the determination and shouldn't even be part of the jury's deliberation.

MR. GRIFFIN: I think the Court's charge was clear and accurate.

MR. RYAN: There are things clear in the patent law the inappropriateness of doing that.

THE COURT: (To the jury) I tried to make it as clear as I could and considering my own limitations as an expert in the patent field, I don't know if I did. If I didn't say this, let me try one more time.

In deciding the issue of infringement, you do not base your decision on a comparison of Westview's system with the plaintiff's commercial embodiment, rather, your decision of infringement is to be made on the basis of comparing the patent claims which measure the invention with the accused Westview's system.

Now if the patent claims that I have tried to [24] explain as best I can don't cover the accused Westview system as I have explained in more detail, then there's obviously no infringement and your answer is no.

(Continued at side bar.)

THE COURT: Yes.

MR. RYAN: The Court also gave a very, very lengthy and repeated instruction on the doctrine of equivalents -- excuse me; I'll take that back -- on the doctrine of file wrapper estoppel which is not even a part of this case. There has never been any evidence that anything was surrendered during the prosecution of this patent.

THE COURT: Let me hear the other side if I may.

MR. GRIFFIN: There is in the case statements made to the Patent Office and there's evidence of the addition of the language claim after the first patent was rejected. The statements about that are relevant and should be considered.

MR. RYAN: We agree that the file history with all these other items can in fact be used. That's not the objection. I believe that the Court repeated the doctrine of file wrapper estoppel about four times about the effects of it when it's not part of the case.

MR. MALLIN: Your Honor --

THE COURT: I've got to have one lawyer on each [25] side. I'm sorry.

(To the to the [sic] jury) You may, of course, consider the history of the patent claim and how it went through the Patent Office and I gave you a rather extensive description of the effect of amendments and deletions and I told you how to apply that to interpreting the claim. If you find that is inapplicable because there's no evidence that the amendments or limitations applied to define the scope of Mr. Markman's patent in this case, obviously you don't have to apply all those complicated rules which are called file wrapper estoppel I'm told but I tried not to use the terminology in describing the claim but if you find it doesn't apply, you don't have to worry about it. You just ignore it.

(Continued at side bar)

MR. RYAN: I want to make our position clear that we believe there is absolutely no evidence on file wrapper estoppel or prosecution estoppel and that issue shouldn't be part of the case.

THE COURT: I'll hear the other side.

MR. GRIFFIN: We heard testimony about the additions to the claim which were made after the first rejection so that is -- The Court has a right to consider it in interpreting the --

THE COURT: Let's go on to the next point.

[26] MR. RYAN: The Court's comment by instructing the jury if they found no infringement, they could go home effective -- we find very prejudicial.

THE COURT: What can I do? That's the truth.

MR. RYAN: It's just unnecessary, Your Honor.

THE COURT: Well, I don't see --

MR. MALLIN: There's nothing to do to correct it now but we'd object.

THE COURRT [sic]: I don't know what there is to do except tell them the consequences of their decision if they decide that the case is over.

Let's not argue over it.

MR. RYAN: To put my position on the record, when we were conducting the voir dire, some of the jurors indicated they had some scheduling problems next week which may prevent them from serving on a long case and by offering that up you've given them an opportunity to effectively not have to come back here next week.

THE COURT: (To the jury) Members of the jury, you should not let the fact that a "No" answer will terminate this case affect your decision on whether the decision on the case is -- the answer is yes or no. You have to be intellectually honest and call it as you see it. If an intellectually honest answer is "Yes", then abide by your oaths, answer "Yes" and we'll proceed and [27] hear whatever the other evidence is if that's what your verdict is. If the intellectually honest answer is "No" then you answer "No" and we'll take your verdict "No" in that regard.

(Continued at side bar)

THE COURT: Does the plaintiff have any other points?

MR. MALLIN: No, Your Honor.

THE COURT: Okay. Defendant.

MR. GRIFFIN: Only two, Your Honor.

When you read the Claim 14 to them, you only covered the last paragraph or the last point of it and it would be sufficient I think to point out that Claim 14 has that language in it and they can read it when they get it if necessary.

THE COURT: Okay.

MR. GRIFFIN: And the second point is we want to preserve on the record our objection to proceeding where instead of allowing the jury to deliberate based upon the Court's interpretation, you've asked them to determine the patent because you said to them at one point that: You must first determine the meaning of the patent.

THE COURT: (To the jury) Two points if I may, ladies and gentlemen of the jury. I gave you a very abbreviated version of Claim 14 and Claim 14 is the one in [28] the slightly different color -- not color but different type on Plaintiff's [sic] Exhibit 1 and there's -- You'll have Claim 14 in its entirety but basically it's a data input device having switch means for encoding information, each of the transactions having articles associated therewith. Data processor including memory, a printer operable under control of the data processor to generate a written record at least part of the written record bearing a portion to be attached to said articles and at least one optical scanner for data communication with the data processor and operable to detect bar codes on all articles passing a predetermined station.

Now that's what Claim 14 means and I haven't read even this time all of Claim 14. I've just told you what it means and I have also told you what Claim 1 means and what Claim 10 means and what I tell you about what those claims mean is the Court's interpretation which insofar as I've told you this is what the claim means, that's binding upon you for purposes of your deliberations.

(Continued at side bar)

THE COURT: Anything further?

(No response)

(In open court)

THE COURT: See you when you have a verdict,

* * *

Trial Testimony of September 27, 1991 -- Volume IV

* * *

[1] Has the jury reached a verdict with regard to the question that was submitted? Whichever of you is the spokesperson for the jury can tell me.

THE FOREPERSON: We have, Your Honor.

THE COURT: If you'll be good enough to show the original sheet to counsel just to reduce the anxiety levels.

(The clerk did so.)

THE COURT: Now I'll take the verdict from you if I may.

"Do the products manufactured by defendant Westview infringe any of the following claims of plaintiff Markman's patent?"

First, with regard to Claim No. 1, what is the verdict of the jury, yes or no?

THE FOREPERSON: Yes.

THE COURT: Then with regard to the Claim No. 10, what is the verdict of the jury, yes or no?

THE FOREPERSON: Yes.

THE COURT: And finally with regard to Claim No. 14, what is the verdict of the jury, yes or no?

THE FOREPERSON: No.

[2] THE COURT: Do counsel agree that the verdict of the jury be recorded on this aspect of the case?

MR. MALLIN: Yes, Your Honor.

MR. GRIFFIN: Yes, Your Honor.

THE COURT: Okay. The verdict of the jury is hereby recorded on this aspect of the case.

* * *

THE COURT: I'll hear both sides now as agreed on the motion for directed verdict as to which I deferred previously.

[3] (Jury was recessed for the evening.)

MR. GRIFFIN: Thank you, sir.

This Court earlier denied Westview's motion for summary judgment because it found there was a disputed issue of fact concerning "Datamark"'s ability to store material in memory. The evidence that has been introduced at trial has shown there is no dispute about what the "Datamark" does and its ability to store information.

THE COURT: What about --

MR. GRIFFIN: Excuse me.

THE COURT: Go ahead. I didn't mean to interrupt your sentence.

MR. GRIFFIN: Both the plaintiffs and the plaintiffs' expert and the defendant agreed on how the machine works.

THE COURT: What I was going to ask you was what about that representation in the manual that I referred to when I ruled on your motion for reconsideration? How do you deal with that?

MR. GRIFFIN: If I can --

THE COURT: I forgot what exhibit it is. Perhaps you can help me with your substantive argument in that regard. Do you know what I'm referring to?

MR. GRIFFIN: I believe it's Page --

MR. MALLIN: Plaintiff' [sic] Exhibit 4, Page 3. [4] Plaintiff' [sic] Exhibit 5, Page 7.

THE COURT: Well, I have Plaintiff' [sic] Exhibit 4 and I'm looking at Page 3 and Plaintiffs' Exhibit 5 --

MR. RYAN: Page 7, Your Honor.

THE COURT: And I'm looking at Page 7. Okay.

MR. GRIFFIN: What that --

THE COURT: What's the language? I've forgotten. Where are we on Page 3?

MR. GRIFFIN: I can tell you the one on Page 7.

THE COURT: Okay. That's good.

MR. GRIFFIN: Up at 10, "Once" -- Where it says once the garment... and price are... displayed"

THE COURT: I see that. Let me read that to myself. Okay.

MR. GRIFFIN: What that is is that short process that both Mr. -- I keep forgetting -- Mr. Mikula and Mr. Jenkins described is that before the ticket is completely printed and the bar code is put on it, there is a buffer where the descriptions in that one article are stored until the ticket is printed out. Once the ticket is printed out and the bar code on the bottom is printed, that article description is no longer in memory and there's no association between that article description and the invoice number with the exception that they're both printed on the ticket but there's nothing in the [5] system at that time which would allow anybody to run a

report which would reconcile the invoice number and the article description so there is nothing there that would get to the main purpose of the system as described in the patent which is the inventory and control system whereby they can detect and localize the spurious additions and deletions to inventory and that's --

THE COURT: Spurious additions to inventory.

MR. GRIFFIN: Where that leaves us is just on that point alone which was the point that the Court saw as there being a dispute that there really is no dispute unless you can torture the reading of this patent to say that it doesn't have to maintain the article description in memory so that it can run a report where the unique sequential indicia which would be the number, invoice number and the descriptions of the articles are reconcilable against one another. You can read that out of the patent and you can say you want to take it very literally and you don't want to interpret it in language which I believe is ambiguous at best in light of what is said about it in the specification and in the drawing. We believe that the interpretation of this claim is a question of law for the Court. It's our view of it that when you read this claim in the light of this claim and the dependent claims on it and especially Dependent [7] Claim 7, it becomes quite clear that the system which is described here is one where the extra thing that comes to the ballgame as far as the reconciliation of the unique sequential indicia and the article descriptions is the ability to store that in memory so at least as it says in here, "...to generate at least one report of said total and said transactions, the unique sequential indicia and the descriptions of articles in the sequential transactions being

reconcilable against one another" that's the end of that second paragraph in the Claim 1 --

THE COURT: Let me just get that in front of me on Claim 1.

Well, does your client's product have what one could argue to be a short memory to accomplish the --

MR. GRIFFIN: No, sir because it cannot run a report where the unique sequential indicia and the descriptions of the articles can be reconciled against one another.

THE COURT: What about the way they demonstrated it with the invoice being produced? Does that store the memory for a short time and then produces the dress and the coat and so on?

MR. GRIFFIN: What it does is it takes the information and keeps it in a buffer until the ticket is printed. It doesn't keep it there to be able to run a [7] report from it and obviously where it is there is some place where you can't reconcile it because you haven't run the ticket off of it. It's not a way to accomplish the goal of the patented system and the reason, Your Honor, that it becomes more clear when you look at the various different parts of the patent and not even going outside of the claims, when you take a look at Dependent Claim No. 7 where the dependent claim goes on and says this is the one that where they're going to have a series of optical scanners --

THE COURT: I have it in front of me. I'm just reading it to myself.

(Pause)

MR. GRIFFIN: -- that's where they say, "...the indicia and the descriptions of articles being reconcilable at each of said plurality" so instead of it being recognized at one place in Claim 1 now it's reconciliable at a lot of them and that couldn't happen with the "Datamark" system even just one time because it doesn't maintain the description and there is no capability of running the report and I think it is clear, Your Honor, when you look at the various descriptions in this specification and the description of what their particular patented system is to do and it starts off with the entire description of the field of invention where it [8] describes the field of invention is, "This invention relates to inventory control devices capable of monitoring and reporting upon the status, location and throughput of inventory in an establishment."

It goes on to explain it. "... whereby the progress of articles through the laundry and drycleaning system can be completely monitored" explains that the detailed description of the preferred embodiments, what it does or the information and items uniquely positively associated with one another throughout the processing and you take that and then you take Mr. Markman's own earlier testimony where he was trying to show why the Jolicoeur system, which he had earlier developed, wasn't the same as this and he said because it doesn't -- I forget the exact language but the thrust of it was because it doesn't have the individual articles. I think I have the exact language. It's in the summary judgment motion. I'm trying to find the exact quote for you.

THE COURT: Yes.

MR. GRIFFIN: I think Mr. Vogt will pull that out for me.

THE COURT: Okay. Is it the premise of your argument that inventory means articles of clothing not just dollars?

MR. GRIFFIN: I think it means both in this [9] patent, Your Honor.

THE COURT: And that I have to interpret what is the meaning of inventory? Is that the premise on which your contention turns?

MR. GRIFFIN: Yes, sir. That is one of the things that I believe this Court must do.

The actual quotation comes from the Markman deposition of July 16, 1991 at Page 11 and it was attached to the motion for summary judgment as Exhibit "G" and what Mr. Markman was asked about his earlier system and this one question:

"In what way are they different?

"Answer: The bar code was printed on a back space strictly as a turnaround document as a later -- and specific item that are identifiable by a customer who dropped them off and who weren't owned by the customer were not tracked into the inventory control system as they were in the invention."

It becomes very clear when you look at the inventory, when you take a look at the explanation in the specification and read the claim understanding how they describe the words that the purpose of the Markman patented system is to have a computerized -- for lack of a better term -- inventory control and reporting system where they had a data input device, a place to put the [10] information in and making sure that it was able to encode the information about the transactions and it's very clear in the first section what it has to be including transaction identity and descriptions of each of said articles associated with the transaction and if all you were going to say is all you have to do is type up a ticket, that wouldn't make any sense.

And the next one is, "a data processor including memory operable to record said information and means to maintain an inventory total, said data processor having means to associate sequential indicia with sequential transactions with unique sequential and to generate at least one report of said transactions, the unique sequential indicia and the descriptions of articles in the sequential transactions being reconcilable against one another" and you read that against the later part of that claim where they're talking about the optical scanner detecting things in the bar codes and saying whereby you can locate spurious additions to inventory and various deletions therefrom", it becomes very clear they're talking about a system that will remember something about the description of the article and be able to help track that and then you go through the dependent claims and you can see where that system is built upon and I would suggest to the Court and it is in the record so far in [11] this case even though it was on the infringement part, we did ask Mr. Mikula about the Liberty Lister machine and he said there

was no difference between that and the "Datamark" system except one used a preprinted bar code and "Datamark" used the bar code generated by the machine itself and it makes certain sense that if this patent were only to cover the preprinted bar code because there is no dispute at all about Liberty Lister that Mr. Markman wouldn't say Liberty Lister infringes, then it's clear that the "Datamark" isn't covered by this patent; doesn't read on it. It does not have that system that will keep track of the descriptions of the articles of clothing, tie that to the bar code so you can tie it to the invoice number so you can tie everything in that order together.

THE COURT: Let me hear the other side if I may. I think I understand your argument.

MR. MALLIN: May it please the Court, there is no basis for granting a judgment notwithstanding a verdict. The issue was submitted to the jury by the Court. The Court gave to the jury interpretation of the claims taken in great part from the submission of the defendant some over my objections I may say. It was presented to the jury. The jury had to apply the law as given to them from the Court to the facts they found.

A lot of what we heard just a few moments ago is [12] disagreeing with the facts that we must now take it that the jury found and it's a normal way where the jury applies the law to the facts. Mr. Griffin wasn't up here more than two minutes when he talked about Mr. Jenkins' testimony about something being held in the buffer at some point. He said that to the jury. It did not carry the day with the jury. That's why we have juries. Mr. Griffin has interpretations of Mr.

Mikula's testimony. He has interpretations of Mr. Markman's testimony. I don't accept those interpretations. I don't think that's the point. That all went to the jury. That's why we had the jury in the box to make those determinations. We had a patent expert read the claims on the accused device. We made the demonstrations before the jury. We put the operating manuals in and the brochures in that used words that the information was committed to the memory. One of it says committed to the memory. The other says saved in the memory so without belaboring the point, Your Honor, the jury has spoken. There's no basis for setting aside the verdict of the jury on infringement and I respectfully suggest that the motion should be denied and we should go on with the trial.

THE COURT: May I ask you the same question I asked the other side? In your view -- Let me put it this way. The other side, as I understand it, takes the [13] position that inventory means articles of clothing and dollars. In other words, the other side says inventory means not just dollars. Now let's just assume hypothetically that that's correct just hypothetically. I'm not asking you to agree with it. If that's correct, does your Claims 1 and 10 read on the Westview product?

MR. MALLIN: Yes.

THE COURT: Show me how.

MR. MALLIN: Because the claim says to maintain an inventory total. If the inventory total is in dollars, that's fine. If the inventory total is the listed items, that is fine. A

patent isn't read in the hypertechnical way that they want to read it. The claims are meant to cover things that--

Remember, the claim draftsman isn't sitting with somebody's particular product and describing it. He's describing a concept here. Again Mr. Jenkins testified about inventories. Their own brochure was put in and it says, "Complete cash and inventory reports" -- I'm reading from Plaintiffs' Exhibit 9 which is a "Datamark" brochure that says, "Complete cash and inventory reports production printout is by garment and department."

THE COURT: Can I just interrupt you on that particular point? Assume hypothetically that that brochure is spurious, that is, it makes a claim about [14] controlling inventory which is untrue, that the device I asked you to -- I ask you to assume hypothetically does not control articles of clothing in a drycleaning establishment's inventory. I'm not asking you to agree with those assumptions but if those assumptions are correct, does your claim read on the defendants' device?

MR. MALLIN: I'm not quite sure I follow. The first point is the jury had the right to resolve this to mean whatever they resolved it to mean to fit in the claim. That's what we submitted to them.

THE COURT: But if the device --

Does their device track articles of clothing?

MR. MALLIN: Individual articles of clothing?

THE COURT: Yes.

MR. MALLIN: No. As I said to the jury, their device does not put tags on the individual items of clothing and follow those individual articles. There's another claim that does that, you know. This claim doesn't do that. You interpret the claim and have them to apply it, the jury to apply it so it's a jury question.

THE COURT: Okay. Let me see if I can put it this way. This device of Westview's does not track individual articles of clothing. Assume hypothetically that Westview puts in its advertising the false, spurious claim that its device does track individual articles of [15] clothing. That is untrue. Ask you to assume that.

Does your -- I'm trying to put it in your vocabulary and I'm having difficulty.

Does your Claim 1 read on that falsely advertised device?

MR. MALLIN: I'm still having some difficulty because the claim reads on a device that does what the claim says. I think your question is if they said it put individual article tags on individual items of clothing --

THE COURT: And that was false --

MR. MALLIN: -- and it did, could they be patent infringing? I'm afraid I'd have to hit the law books. I've never had that question before.

THE COURT: It's an open question you say?

MR. MALLIN: I'd have to hit the law books because I haven't dealt with an accuser who tells the world that his product does something and it doesn't. He's getting the benefit of selling what appears to be a patent device in the marketplace but, Your Honor, I've never looked up that legal question and I would not make a representation to the Court as to what the law is on that subject. I would have to search the law and think about it further.

THE COURT: Well, could I impose on you and the [16] other side to focus on that question and just give me what authority you can on it? I'd like to educate myself as best I can. In this field, as you know, I'm no expert in this field and I'd would [sic] very much appreciate both your advices on that.

MR. MALLIN: I'll be happy to do that, Your Honor. I want to emphasize that quite apart from that issue, an appropriate issue was submitted to the jury under the interpretation of the Court on the testimony to determine whether the accused device is explained by the witnesses, our witnesses, his witnesses. It was for the jury and they have spoken and there's no basis for a judgment notwithstanding a verdict to take it away from the jury.

THE COURT: I guess it's really a motion for a directed verdict which if granted would apply to both defendants. I take it that's the posture because there's no judgment.

MR. MALLIN: I think under the rules if there's a motion notwithstanding the verdict -- Because the rule says if you make a directed verdict and it's either denied or not granted,

then you can go ahead with the judgment notwithstanding the verdict.

THE COURT: But there's no judgment yet. You don't have a judgment. You just have a verdict on one [17] phase of the case.

MR. MALLIN: Yes, I understand.

THE COURT: In any event, if I grant the motion, it will apply to both defendants Westview and Althon.

MR. MALLIN: There wouldn't be any -- I take it if you don't think there's an infringement case, if you think that there should be a determination notwithstanding the verdict that there should not be infringement that the accused system does not infringe Claims 1 and 10, that would apply to both defendants. I don't think that's the problem.

THE COURT: On the part of the claim that talks about the optical scanner if I could ask you to take a peek at that with me and help me, "At least one optical scanner operable to detect bar codes on all articles passing a predetermined station."

How does this Westview device do that? Do you say --

MR. MALLIN: They go out with their "Datascan". First of all, they can take out of inventory when a customer comes. They can do that and, therefore, that's one point they can do it. Since it's a portable scanner, they can do it at any point they want to check it at any predetermined point they want to check it. They can do it as the witnesses explained

and Mr. Jenkins had a contrary [18] view and they both had the statements for the jury and that's exactly the kind of issue for a jury to resolve.

THE COURT: Your view of inventory is what? What do you say inventoryy [sic] means?

MR. MALLIN: You've got to look at a particular place. An inventory can be depending on the circumstances of a particular establishment, a business, an inventory in common parlance can be a dollar amount to say I have a million dollars in inventory of widgets or it could be I have a thousand items or a hundred thousand of this or ten thousand of another. You can't read a patent claim -- If one operator has an inventory report that shows items, that's an inventory, another one has dollars, that's an inventory and we saw various reports where they had invoice numbers as well as dollars.

THE COURT: Well, is it your position then that inventory means both articles and dollars?

MR. MALLIN: It can mean either.

THE COURT: But in this --

MR. MALLIN: In this case what it says is maintain an inventory total. A dollar total does it. Some other infringer might maintain a physical total. That would do it too. And of course the descriptions are on the tickets which are reconcilable by looking at the tickets.

[19] Your Honor, I'll be happy to look up, even though I don't think it's directly applicable, I'll be very happy to review the point of law that the Court evinced interest in.

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

HERBERT MARKMAN and POSITEK, INC. v. WESTVIEW INSTRUMENTS, INC. and ALTHON ENTERPRISES, INC.	CIVIL ACTION No. 91-0940 [FILED SEP 30 1991 MICHAEL E. KUNZ, Clerk By: /s/ Dep. Clerk

JURY QUESTION

1. Do the products manufactured by defendant Westview infringe any of the following claims of plaintiff Markman's patent?

Claim #1	Yes x	No ____
Claim #10	Yes x	No ____
Claim #14	Yes ____	No x

PLEASE SIGN THE SHEET AND SUMMON THE CLERK.

/s/ signed by juror ____ /s/ signed by juror ____

/s/ signed by juror ____ /s/ signed by juror ____

/s/ signed by juror ____ /s/ signed by juror ____

/s/ signed by juror ____ /s/ signed by juror ____

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

HERBERT MARKMAN and POSITEK, INC.,	:	
Plaintiffs	:	CIVIL ACTION
v.	:	NO. 91-0940
WESTVIEW INSTRUMENTS, INC. And ALTHON ENTERPRISES, INC.,	:	
Defendants	:	

SUPPLEMENTAL REQUESTED
INTERROGATORIES TO THE JURY

Defendant Westview Instruments, Inc. respectfully suggests that the interpretation of the patent in suit is a question of law for the Court. The question of infringement can involve questions of fact. Under those circumstances the Court should have the issue of infringement determined through the use of special interrogatories which ask specific questions about the accused device. Westview requests that the Court utilize the attached interrogatories.

/s/Frank H. Griffin, III
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Attorneys for Defendant
Westview Instruments,
Inc.

Dated: September 27, 1991

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

HERBERT MARKMAN and POSITEK, INC.,	:	
Plaintiffs	:	CIVIL ACTION
v.	:	NO. 91-0940
WESTVIEW INSTRUMENTS, INC. And ALTHON ENTERPRISES, INC.,	:	
Defendants	:	

Defendant Westview Instruments, Inc.'s
Supplemental Requested Instruction

Defendant Westview Instruments, Inc. respectfully requests the Court instruct the jury as follows:

You have heard testimony concerning the meaning of the patent claim language involved in this case. The interpretation of a patent, however, is a question which is decided by the Court, as an issue of law. I have reviewed the patent involved in this suit including the claim language, specifications and drawings and the prosecution history of the patent. This patent, the invention, relates to inventory control devices capable of monitoring and reporting upon the status, location and throughput of inventory in an establishment, here dry cleaning and laundry establishments. Claim 1 of the patent in suit reads as follows:

an inventory control and reporting system, comprising;

a data input device for manual operation by an attendant, the input device having switch means operable to encode information relating to sequential transactions, each of the transactions having articles associated therewith, said information including transaction identity and descriptions of each of said articles associated with the transactions;

a data processor including memory operable to record said information and means to maintain an inventory total, said data processor having means to associate sequential transactions with unique sequential indicia and to generate at least on report of said total and said transactions, the unique sequential indicia and the descriptions of articles in the sequential transactions being reconcilable against one another;

a dot matrix printer operable under control of the data processor to generate a written record of the indicia associated with sequential transactions, the written record including optically-detectable bar codes having a series of contrasting spaced bands, the bar codes being printed only in coincidence with each said transaction and at least part of the written record bearing a portion to be attached to said articles; and

at least one optical scanner connected to the data processor and operable to detect said bar codes on all articles passing a predetermined station,

whereby said system can detect and localize spurious additions to inventory as well as spurious deletions therefore.

That language, is, in places, subject to different interpretation. I instruct you that when you consider whether the Westview Instruments, Inc. Datamark system infringes you should understand that Claim 1, as stated, defines a system that includes a data processor, or computer, which has sufficient memory to record information about sequential transactions, including the identity and descriptions of the articles of clothing involved, and which also has the means or ability to generate at least one report of inventory total and transaction totals in which the unique sequential indicia, or invoice number, and the description of the articles in the transaction can be reconciled against one another. A system which does not have memory operable to record and store and later use information about or including the descriptions of articles does not infringe the patent in suit.

The claim also defines a system in which the data processor, or computer, has both the memory which I just referred to and the means to maintain an inventory total. A system which does not have both that memory and means to maintain an inventory total does not infringe the patent in suit.

Further, the claim defines a system which has at least one optical scanner connected to the data processor operable to detect bar codes on all articles of clothing which pass a predetermined, or fixed station. A system which does not have that does not infringe this patent.

The claim is of an inventory and control system which must be able to detect and localize spurious, that illegitimate, additions to inventory as well as deletions from

inventory. As used in Claim 1, inventory refers to both cash inventory and the actual physical inventory, that is articles of clothing. A system which does not have that does not infringe this patent.

You must determine whether the Westview Instruments, Inc. Datamark system reads on Claim 1. That is, does the Datamark system have all of the elements described in Claim 1.

/s/ Frank H. Griffin, III

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Date: September 27, 1991

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

HERBERT MARKMAN and POSITEK, INC.,	:	
Plaintiffs	:	CIVIL ACTION
v.	:	NO. 91-0940
WESTVIEW INSTRUMENTS, INC. And ALTHON ENTERPRISES, INC.,	:	
Defendants	:	

MOTION OF DEFENDANT WESTVIEW INSTRUMENTS, INC. FOR DIRECTED VERDICT PURSUANT TO RULE 50 OF THE FEDERAL RULES OF CIVIL PROCEDURE

Pursuant to Fed.R.Civ.P. 50, defendant Westview Instruments, Inc. ("Westview"), respectfully moves this Court for a directed verdict at the close of the evidence offered by plaintiffs.

As a matter of law, plaintiffs have failed to show by a preponderance of the evidence that Westview's DATAMARK or DATASCAN or the combination of the two have infringed the patent-in-suit.

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Attorneys for Defendant
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Dated: September 26, 1991

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

HERBERT MARKMAN and POSITEK, INC.,	:	
Plaintiffs	:	CIVIL ACTION
v.	:	NO. 91-0940
WESTVIEW INSTRUMENTS, INC. And ALTHON ENTERPRISES, INC.,	:	
Defendants	:	

ORDER

AND NOW, this 20th day of September, 1991, upon consideration of the Motion of Defendant Westview Instruments, Inc. for Reconsideration of this Court's Order Denying Westview's Motion for Summary Judgment, it is hereby ORDERED that this Court's Order dated September 17, 1991 denying Westview's motion be and hereby is not VACATED. There is a genuine issue of material fact as to whether defendant's product stores in memory individual articles. Compare Jenkins Dep. p. 108 (Exh. B Motion) with Operator's Manual p. 6 attached to plaintiff's Memo in Opposition.

BY THE COURT:
/s/ Marvin Katz J.

[ENTERED: 9/23/91
CLERK OF COURT]